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LEGISLATIVE HISTORY

Public Law 304--78th Congress

Chapter 198--2d Session

H. R. 4254

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## DIGEST OF PUBLIC LAW 304

LEND-LEASE CONTINUATION. Continues the Lend-Lease Act from June 30, 1945.

### INDEX AND SUMMARY OF HISTORY ON H. R. 4254.

February 23, 1944	Introduced by Rep. Bloom and referred to the Committee on Foreign Affairs. Print of the bill as introduced.
March 1, 1944	Hearings: House, H. R. 4254.
March 30, 1944	House Committee reported H. R. 4254 with amendments. House Report 1316. Print of the bill as reported.
April 13, 1944	House Rules Committee reported House Res. 498 for consideration of the bill. House Report 1350.
April 17, 1944	House began debate.
April 18, 1944	Debate continued.
April 19, 1944	Debate concluded. Passed House with amendment.
April 21, 1944	Referred to Senate Committee on Foreign Relations. Print of the bill as referred.
April 26, 1944	Hearings: Senate, H. R. 4254.
May 1, 1944	Preliminary report of the Committee Investigators to the Committee on Appropriations on Lend-Lease aid and Government expenditures abroad. Senate Document 190.
May 2, 1944	Senate Committee on Foreign Relations reported H. R. 4254 with amendment. Senate Report 848. Print of the bill as reported.
May 4, 1944	Senate began debate.
May 8, 1944	Debate concluded. Passed Senate with amendment.
May 12, 1944	House agreed to Senate amendment.
May 17, 1944	Approved. Public Law 304.



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Date

Time



# H. R. 4254

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 23, 1944

Mr. BLOOM introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That subsection (c) of section 3 of an Act to promote the  
4       defense of the United States, approved March 11, 1941, as  
5       amended, is amended by striking out "June 30, 1944"  
6       wherever it appears therein and inserting in lieu thereof  
7       "June 30, 1945"; by striking out "July 1, 1947" and  
8       inserting in lieu thereof "July 1, 1948"; and by striking  
9       out "July 1, 1944" and inserting in lieu thereof "July 1,  
10      1945"; and subsection (b) of section 6 of such Act is  
11      amended by striking out "June 30, 1947" and inserting in  
12      lieu thereof "June 30, 1948".

78<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

# H. R. 4254

## A BILL

To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

By Mr. BLOOM

FEBRUARY 23, 1944

Referred to the Committee on Foreign Affairs







# EXTENSION OF LEND-LEASE ACT

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## HEARINGS BEFORE THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES

SEVENTY-EIGHTH CONGRESS

SECOND SESSION

ON

### H. R. 4254

A BILL TO EXTEND FOR ONE YEAR THE PROVISIONS  
OF AN ACT TO PROMOTE THE DEFENSE OF  
THE UNITED STATES, APPROVED  
MARCH 11, 1941, AS AMENDED

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MARCH 1, 2, 3, 7, 8, AND 9, 1944

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Printed for the use of the Committee on Foreign Affairs



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1944

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# EXTENSION OF LEND-LEASE ACT

WEDNESDAY, MARCH 1, 1944

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, D. C.*

The Committee on Foreign Affairs met in the committee room, the Capitol, at 10:30 a. m., Hon. Sol Bloom (chairman) presiding.

Chairman BLOOM. The committee will come to order.

The committee has under consideration today H. R. 4254, an act to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended.

Without objection, a copy of the bill will be inserted in the record at this point.

(H. R. 4254 is as follows:)

[H. R. 4254, 78th Cong., 2d Sess.]

A BILL To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of an Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

Chairman BLOOM. This bill is an extension for 1 year of the law known as the Lend-Lease Act, and the Chair wishes to call attention to the fact that you have before you the original act (Public Law 11, 77th Cong.; ch. 11, 1st sess., H. R. 1776) and also the first extension of the same legislation (Public Law 9, 78th Cong., ch. 15, 1st sess., H. R. 1501) for consideration.

Mr. MUNDT. Mr. Chairman, I wonder whether you could not say a word or two for the benefit of the committee, before we get any further into this matter as to what disposition will be made of House Resolution 419, the Palestine bill. I get a lot of letters in my morning and afternoon mails about that. I wonder what we will do about that and when we will meet to consider it.

Chairman BLOOM. With reference to the two resolutions (H. Res. 419 and H. Res. 418) that the gentleman speaks of, the Chair would like to state that there are certain things happening throughout the world and I think for the time being consideration of the two resolutions should be postponed. If the gentleman is really anxious to know what is taking place I would be very pleased to have an executive session immediately after we hear the witnesses this morning, and determine what the committee would like to do. It is not what the Chair would like to do; it is for the committee to determine what to do.



Mr. MUNDT. May I suggest we do that, Mr. Chairman, because March 31, as you all know, is the date when these migrations into Palestine are to be shut off under reservations. I think the whole committee is interested in knowing about the issue.

Chairman BLOOM. The white paper has not been put into effect with reference to the number of people that may be permitted to go into Palestine. The British Parliament, as the gentleman knows, and he has heard it several times in the committee rooms and it has been in the press, that the date of expiration of the Palestine white paper—which is supposed to expire on March 31—has been extended until the remaining number of immigrants that have been permitted to go into Palestine under the white paper, which is about 32,000—the white paper is extended until they are able to get into Palestine. This is the result of action initiated at the Bermuda Conference of April 1943.

The Chair would like to state that the legislation that we have before us, as was explained in executive session the other day, is very important for many reasons. It extends the life of lend-lease for 1 year and it is necessary to have this legislation disposed of at this time if it is going to be continued so as to not in any way interfere with the winning of the war.

If the committee wishes to go into executive session immediately after we hear the witnesses this morning, why, I would be very glad to go into executive session and determine what we will do with the other resolutions.

The Chair would like to state at the same time that we have a resolution that has been called to my attention by you, Mr. Chipperfield.

Mr. CHIPPERFIELD. Yes; the resolution with respect to the starving in Europe.

Chairman BLOOM. We have several of them here similar to the one which passed the Senate and the Chair thinks we ought to pass that resolution at an early date. It will take only a few minutes to pass that resolution.

Mr. VORYS. Mr. Chairman, before you proceed on this legislation I want to say this for the record:

I do not control the proceedings of this committee but I think we should dispose of the joint resolutions and the Palestine resolutions and the Dewey resolution with reference to post-war financing before we enter onto the consideration of lend-lease. We have got until 1947 to consider the continuation of lend-lease and the other matters are not only more pressing on a day-by-day basis, but they are already unfinished business before this committee and I therefore am not in accord with proceedings on this matter now although, of course, I bow to the wishes of the committee.

Chairman BLOOM. The gentleman from Ohio [Mr. Vorys] knows that this is not for 1947. The Lend-Lease Act expires on June 30 of this year.

Mr. VORYS. I am fully familiar with that fact.

Chairman BLOOM. If the gentleman is not through I will be glad to listen further.

Mr. JOHNSON. Mr. Chairman, I suggest these matters be discussed in executive session.

Chairman BLOOM. I want the record to show that the legislation we have before us is the most important legislation that this committee can consider at this time to prosecute the war and to help win the war.



Now, in regard to the Dewey resolution—Mr. Dewey has not spoken to me at all and I told Mr. Dewey and I promised him we would take up his resolution as soon as U. N. R. R. A. was disposed of and the Chair intends to keep his word. However, U. N. R. R. A. has not been disposed of, and as soon as it is disposed of we will take up the Dewey resolution. As soon as the Senate appoints their conferees we would be very glad to consider it, but that is not the important business of the moment; the other legislation can wait. It is merely the expression of opinion but this is important legislation and I hope the gentleman from Ohio [Mr. Vorys] will bear with the chairman in that respect so as to try and get through with this legislation.

We will now have the pleasure of hearing from Mr. Leo T. Crowley, of the Foreign Economic Administration.

#### STATEMENT OF LEO T. CROWLEY, FOREIGN ECONOMIC ADMINISTRATION

Mr. CROWLEY. My name is Leo T. Crowley and I am Administrator of the Foreign Economic Administration, which is now the agency responsible for the administration of the Lend-Lease Act.

Mr. Chairman and members of the committee, before I start reading my prepared statement I would like to say a few preliminary words to this committee.

This is the committee that originated the Lend-Lease Act and extended it for 1 year, as I understand, with a unanimous vote a year ago.

We feel that this committee should be given all of the detailed information that it may desire. We think it is to the best interests of the act that this committee be entirely familiar with its operations. We wish to provide you with any information which you may desire. If we haven't the information with us, we will be very happy to get it for you.

We have arranged with the War and Navy Departments to testify on the military and naval aspects of the lend-lease program and the State Department to testify on the part pertaining to the lend-lease agreements, and matters of that nature.

I think that this is a very essential piece of legislation. If it can be adopted without too much controversy, I think the unity of our war effort with our allies will benefit.

Lend-lease is a weapon of war. Almost exactly a year ago, when the Lend-Lease Act was before the Congress for renewal, this committee reported to the House that lend-lease was "an essential part of our mechanism for waging war." You predicted that it would "prove a vital factor in the inevitable victory of the United States and the United Nations."

The proof of what has been achieved in the past 12 months by our combined military and supply operations is being written today in the skies over Germany; on the Cassino line and the Anzio beach-head in Italy; at Vitebsk and Krivoi Rog on the Russian front; on Bougainville, New Britain, and New Guinea; on the new Ledo Road that is being cut across upper Burma to China, and in the air over China itself.

Everywhere that the forces of the United States and the other United Nations are winning victories—everywhere that the Nazis

and Japanese are meeting defeats—there you will find lend-lease and reverse lend-lease playing effective and vital roles.

The United States and Royal Air forces have been striking major blows at the heart of Nazi air power. Last week alone, the Eighth and Ninth U. S. Air Forces and the R. A. F. operating from Britain and the Fifteenth U. S. Air Forces operating from Italy poured more than 17,000 tons of bombs on Germany in the greatest aerial assault in history.

Factories producing Nazi fighter planes and plane engines in half a dozen cities were smashed. Vital ball-bearing works were knocked out. Over 500 Nazi fighter planes were lost in that week alone, vainly attempting to protect the plants upon which the German high command depends for fighter planes to meet the invasion that it knows will come. The capacity of Germany to fight back in the air is being hit with devastating power.

Behind the air offensive on Germany there is a lend-lease story of profound significance.

The great Lancaster and Halifax bombers used by the R. A. F. are produced in British factories. Britain alone, in fact, is today producing more planes than all the factories at Hitler's command in Europe. This great plane production record is largely due to Britain's own effort, but it could not have been achieved without the machine tools, aircraft engines and parts, the steel and other metals sent from the United States.

From March 1941 through December 1943 nearly \$460,000,000 worth of aircraft engines and parts were sent to the United Kingdom under lend-lease and about \$240,000,000 worth of additional engines and parts by cash purchase. Lend-lease aviation gasoline helps to power the 1,000-plane R. A. F. raids. There are lend-lease steel and lend-lease explosives in the bombs which the R. A. F. drops on Germany.

We have in addition sent thousands of planes to the United Kingdom under lend-lease to supplement British plane production. The British in this period bought and paid for thousands of additional American planes ordered before lend-lease was enacted.

During the same period 4,800,000 tons of steel, 460,000 tons of non-ferrous metals, and other essential raw and fabricated materials were shipped to the United Kingdom under lend-lease to aid in the production of bombers, bombs, guns, and other vital weapons.

The R. A. F.'s operations against Germany would not have been possible without lend-lease. Nor would the operations of the United States Air Forces in Britain have been possible without reverse lend-lease. Our planes fly from huge air bases built, equipped, and serviced by the British at a cost of hundreds of millions of dollars. Many of our fighter pilots are flying Spitfires built in England. Many more are flying American fighter planes powered by British Rolls-Royce Merlin engines, the designs of which were turned over to us by the British. And many of the supplies needed by the American Eighth Air Force are procured in Britain without cost to us as reverse lend-lease.

The air offensive upon Germany is a combined operation in every sense of the word. Norwegian, Czech, Polish, and Canadian as well as British and other Allied fliers, using both British and American lend-lease planes, are doing their full part. Unity of command has

permitted the freest interchange of fighting manpower, and lend-lease and reverse lend-lease have made possible the efficient pooling of our material resources and industrial capacity. On these two great principles our entire organization for waging war rests. The flexible, strategic use of fighting men and of fighting resources wherever they are needed is the key to our war operations. These are the only possible principles which could permit us to fight a war of coalition on a world-wide basis. Any change in them at this stage of the war is to my mind unthinkable.

On the eastern front the Soviet armies have wrested back from the Nazis almost a half million square miles of Russian soil. The German drive which was stopped before Moscow in 1941 and before Stalingrad in 1942 is now in reverse as the Red Army moves steadily forward. Shattered once and for all is the great German dream of fighting a single-front war against Britain and the United States in the west, with all of the Soviet Union's food, oil, and raw materials to draw on. The Nazis are fighting on two fronts already, and soon will be fighting on more. They have lost millions of men on the eastern front and tens of thousands of tanks and planes and guns.

By January 1, 1944, more than 7,800 planes had been sent to the Soviet Union from the United States. Over 5,000 planes were sent in 1943 alone. Practically all of these planes have been combat types—P-40 and P-39 fighters, A-20 attack bombers, and B-25 bombers. Over 3,000 of these planes have been ferried all the way by air from the United States.

About 740,000 tons of aviation gasoline and other petroleum products needed for the Soviet Air Force and ground forces have been supplied under lend-lease. At the same time in order to reduce the Soviet's need for fuel from the United States, however, 145,000 tons of refinery equipment have been sent for installation in Russia. American engineers in Russia are now assisting in the construction of these refineries which will produce large additional quantities of aviation gasoline and other products from Russia's own oil resources.

To assist the Soviet armies with their combat and transport problems we have supplied over 170,000 trucks, 33,000 jeeps, and about 25,000 other military vehicles—half of all the motor vehicles that have been sent abroad under lend-lease.

Guns, tanks, and other munitions have also gone to the Soviet armies in substantial quantities. Over 4,700 tanks and tank destroyers and 100,000 submachine guns, for example, have been sent.

Up to January 1, 1944, we had sent also 1,350,000 tons of steel; 384,000 tons of aluminum, copper, and other metals; and \$400,000,000 of industrial equipment, machinery, and machine tools for the production in Soviet factories of artillery, tanks, planes, and other weapons of war.

Lend-lease is playing its part, too, in the fighting in Italy. The Mediterranean campaign has been conducted from the moment of our first landing in north Africa as a combined operation under combined British-American command. A substantial proportion of the troops have been British. British and American supplies have been pooled.

French and Polish soldiers equipped with arms furnished under American and British lend-lease are fighting shoulder to shoulder with American and British soldiers. British fighting men are using



lend-lease supplies in part. Some of their guns and planes and tanks were built out of the steel and other supplies furnished under lend-lease. American soldiers are being supplied in part with food provided by the French under reverse lend-lease and some of the planes and guns they are using came from British factories.

The planes and the guns, whether made in the United States or in England, whether operated by Englishmen, Frenchmen, or Americans, are for a single purpose; to defeat our common enemy as quickly as possible.

In the Far East, the war of the United Nations is being carried toward the centers of Japanese resistance from four different directions. From American mid-Pacific bases, powerful American naval, air, and amphibious forces are pushing westward through the outer rings of Japan's island defenses. From the south, American, Australian, New Zealand, and Dutch forces under Admiral Halsey and General MacArthur have already neutralized Rabaul, the southeastern anchor of Japanese sea and air power. From India, allied forces under Mountbatten are fighting their way into Burma. And from China itself, American and Chinese pilots—many of them trained in the United States under lend-lease—are flying American planes to carry the war even closer to the Japanese Islands. With combined commands, combined manpower, and combined resources, we are on the offensive against Japan from all sides.

Our sustained efforts to aid China are at last bearing fruit. The Burma Road is still closed, but American planes have built an aerial highway to China over mountains 15,000 feet high. There are more pilots flying "over the hump" from India today in the Army Air Transport Command than there were in all the American civil air lines before the war. They carry everything from trucks to radio sets.

I cannot divulge in public hearings the volume of freight carried "over the hump," but I can give you some significant comparisons. In the last 3 months of 1943 more cargo was carried than in the entire balance of the year. In the month of December, alone, twice as much cargo went into China by air as was carried in the whole year 1942. Not all of this is lend-lease, of course; our own air forces in China under General Chennault have to be supplied over the "hump." But all of it is for the war in China. And it makes no difference to the Japanese Zero pilot who is shot down or to the Japanese soldiers who are bombed by an American plane whether the pilot was born in Chattanooga or Chungking.

Beneath the air route, American Army engineers are building the Ledo Road through upper Burma. In front of them, clearing a path through the Japanese positions in the jungle, are Chinese soldiers under General Stilwell's command, who were flown out of China, armed in India with the latest American weapons and instructed by American Army officers. To the south, British and Indian soldiers are pushing down the coast of Burma, and only a few days ago it was announced that they wiped out 8,000 Japanese troops. Some of the arms of this combined Allied force are American, but the major part of their weapons were made either in Britain or India. For India is also a United Nations arsenal which is producing arms and equipment, with the help of a small volume of industrial equipment from us, for American and Chinese forces as well as for the British and Indian troops.

On their southern flank, the Japanese are being rolled back by another United Nations fighting team. Many Australian and New Zealanders are fighting beside the American forces. The major part of the weapons for the offensives in New Guinea, the Solomons, and New Britain are American. But Australia and Britain are also producing planes, ordnance, and other munitions for these offensives with the help of lend-lease machine tools and raw materials. Most of the food used in these campaigns is supplied as reverse lend-lease by Australia and New Zealand.

In the south and the southwest Pacific, as on the air front in Europe and in the Mediterranean campaign, men and materials are interwoven to make a more powerful United Nations fighting force. Dutch flyers, who escaped from the Indies and were trained in Mississippi under lend-lease, fly American planes, eat Australian food, and wear Australian clothing. Australian soldiers shoot British, American, and Australian guns. American soldiers wear Australian boots and eat Australian rations. Lend-lease and reverse lend-lease are the machinery through which this pooling of supplies is made possible.

In the year that has passed since the Lend-Lease Act was extended, we have seen the United Nations go over to the offensive. The greatly increased shipments of lend-lease supplies in the past year have been matched by battles fought and won. The forces of the United Nations are using the best equipment the combined resources of the United Nations can produce and put into their hands. Each of the United Nations armies has been principally armed by its own workers and its own factories. But each has been strengthened by arms from other United Nations which have often served to turn the tide of battle. The freedom-loving peoples of the world have teamed to fight together, pooling their brains and their energies, their steel and their food, their will and their hopes for a free world secure from aggression.

Lend-lease is at work on battlefronts all over the globe. I have tried to give you a brief picture of the way in which it is hastening the defeat of the Axis today in many different theaters of war. In the binders before you, we have included much fuller statements and statistics on all the import aspects of lend-lease operations. Any other facts or figures the committee desires which we have or can obtain, we shall be more than glad to furnish.

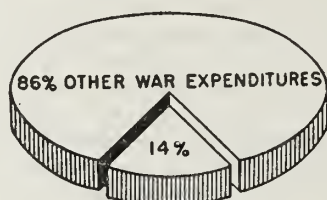
I believe strongly in the necessity for the closest of working relationships between the Congress and the Executive agencies. You are the legislators. We administer on behalf of you and the people whom you represent. I feel, therefore, that you should know anything we know. We are anxious to present to you as frankly and as openly as we can whatever you are interested in knowing about lend-lease operations.

In a program as large as lend-lease there are bound to be mistakes and alleged mistakes. But from what I know of the administration of the program first under Maj. Gen. James H. Burns and then under Mr. E. R. Stettinius, Jr., I can tell you that the job was superbly done. Since the administration of lend-lease has been under the direction of the Foreign Economic Administration, we have constantly reviewed our policies and administration in the light of the changing conditions of the war. We have continued to follow the basic criterion for judging our operations that has been applied consistently

from the very beginning of lend-lease: Will the supplies, services, or information furnished under lend-lease hasten the day of victory?

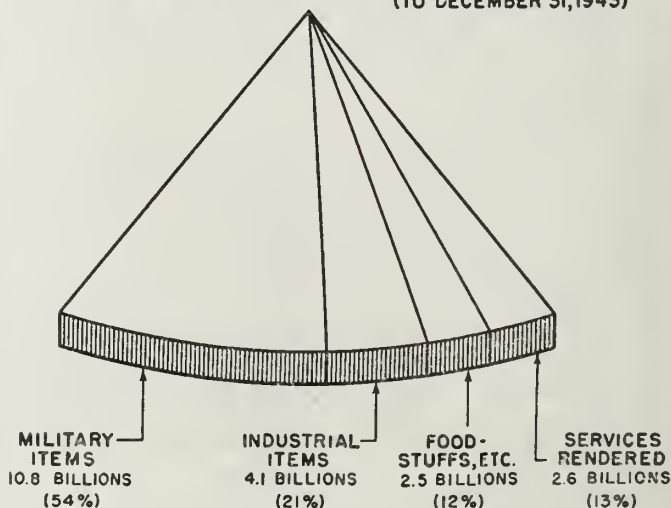
The total figure of lend-lease aid to December 11, 1943, stood at slightly less than \$20,000,000,000. As you can see from this first chart, that is about 14 percent of our total war expenditures since the Lend-Lease Act was passed [indicating].

## LEND-LEASE AND TOTAL WAR COSTS



LEND-LEASE AID

TOTAL LEND-LEASE AID \$20,000,000,000  
(TO DECEMBER 31, 1943)



FOREIGN ECONOMIC ADMINISTRATION

CHART I

Over half of our aid, as shown in the lower part of the chart, consisted of planes, guns, and other finished munitions. Items for the production of war supplies in the factories of our allies accounted for the next largest slice—about 20 percent. Foodstuffs for soldiers and



war workers made up 12½ percent. The remainder consisted of services, in the form of shipping, ship repairs, pilot training, industrial facilities for the production of lend-lease goods and the like.

The relative proportions of these categories of supply were very different in the first 9 months of lend-lease, as can be seen from Chart II [indicating].

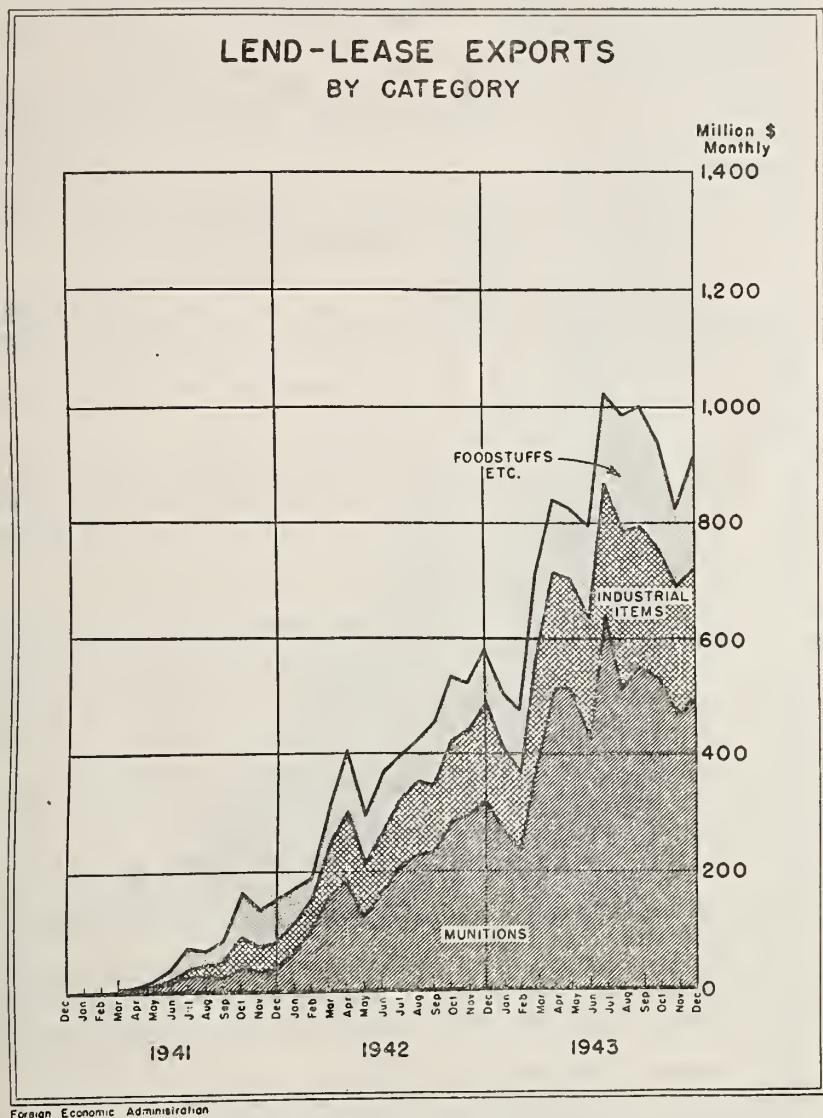


CHART II

In 1941, food was the largest item—over 50 percent of lend-lease exports. Finished munitions and war production items almost evenly divided the balance. In the first months of 1942, as American war plants moved swiftly into production, munitions shipments rose much

more rapidly than other lend-lease shipments. They have continued to rise in proportion to industrial items and food and during 1943, made up 61 percent of all shipments. In December of last year, 67 percent of lend-lease exports were munitions.

Chairman BLOOM. I suggest at this point you explain the charts.

Mr. CROWLEY. Mr. East of my staff will explain the charts.

Chairman BLOOM. What is your full name, for the record?

Mr. EAST. I am John D. East, Director of Reports, Foreign Economic Administration.

Chairman BLOOM. You may proceed to explain the charts.

Mr. EAST. On this chart II you will notice that the lower area [indicating] indicates munitions; the middle area [indicating] indicates industrial items for war production purposes; and the upper area [indicating] is foodstuffs.

Chairman BLOOM. While the chart is on display are there any members of the committee who want to ask any questions?

Mr. VORYS. Does the "industrial items" include services?

Mr. EAST. No, sir; just goods.

Mr. CHIPERFIELD. I cannot see from here but I think in the months of September and October 1943 there is a dip. What caused that dip?

Mr. VORYS. No; it is July.

Mr. EAST. I think it was due to preparations for United States military movements overseas.

Mr. VORYS. From July and from there on there is a drop down to November and then it goes up again. What is the cause of that?

Mr. EAST. Nearly all of those fluctuations on the exports chart (chart No. II) are caused by the shipping situation. In 1 month you have more shipping available and you can move more goods to the war fronts.

Mr. CHIPERFIELD. I do not want to refer to what is secret. That is the difficulty I experience in determining what is secret and what is not in this brochure. I notice the same thing occurs in many of these charts for many of those same months, for September, October, November, and December; and the same drop occurs in many charts that are in this book. What causes it I do not know, but I just wonder.

Chairman BLOOM. The Chair would state, Mr. Chiperfield, that you may ask the question and if it is secret the witness will delay answering until we are in executive session.

Mr. CHIPERFIELD. I would not want the information given out if it is secret.

Mr. CROWLEY. We will be glad to tell you that in executive session.

Mr. CHIPERFIELD. All right.

Chairman BLOOM. Are there any further questions on this chart?

Mr. JOHNSON. Mr. Chairman, I was wondering if these charts could be placed in the hearings. It is always good to the eye to see them.

Mr. CROWLEY. They are all in.

Mr. JOHNSON. Will they be in the printed hearings?

Chairman BLOOM. We will do that. Make a note to that effect. (The clerk will place in the record the charts under consideration and they will be printed.)

Chairman BLOOM. All right, Mr. Crowley, you may proceed.



Mr. CROWLEY. Planes, ammunition, and other finished munitions constitute, as you can see, the backbone of the lend-lease program.

The actual monthly totals of goods transferred and services rendered under lend-lease are shown in this third chart [indicating].

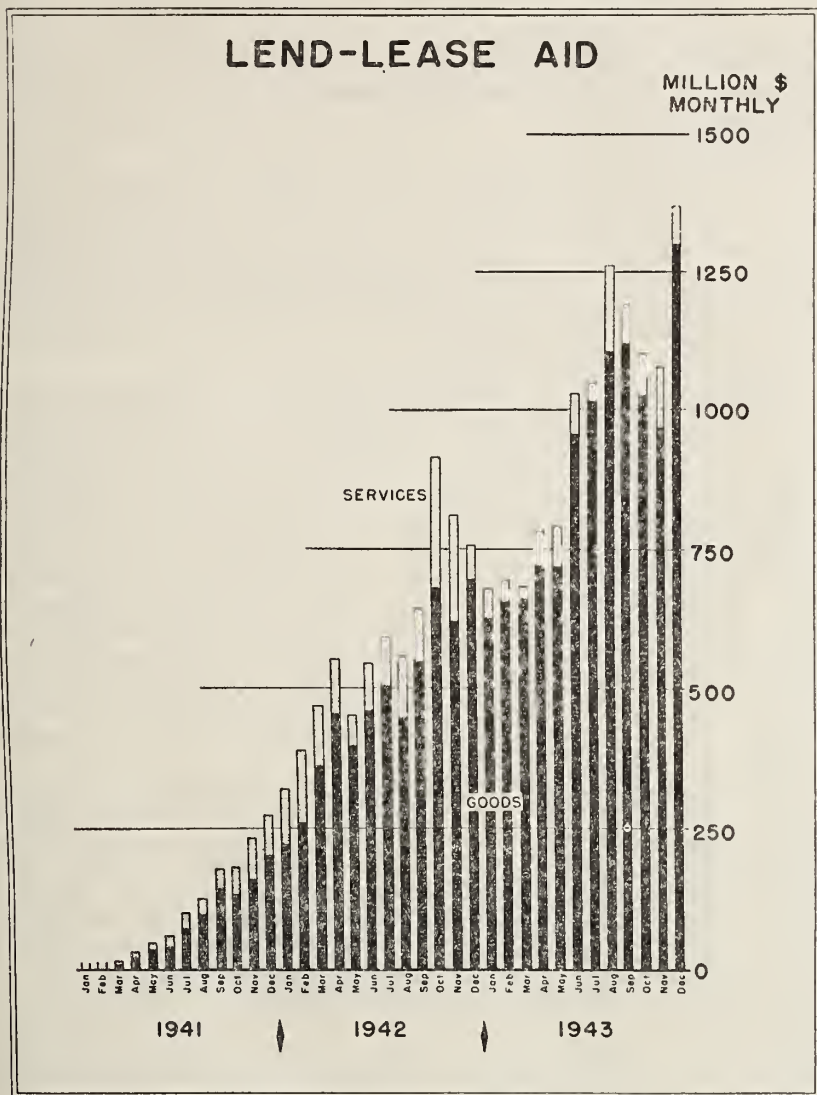


CHART III

You will notice how the volume of lend-lease aid grew swiftly from the passage of the act in March of 1941, reaching a first high peak of \$915,000,000 in the fall of 1942—the time of the north African invasion, the great battles which turned back the farthest German

advance in Russia, and the beginnings of the great Allied drive northward from Australia. Lend-lease transfers declined during the following months in the winter of 1942-43, and then in the spring began to mount again. They first passed a billion dollars in June 1943. They continued to rise in the next 2 months, passing a billion and a quarter in August. After declining for 3 months, they shot up again last December 1943 to the highest monthly total so far—\$1,377,000,000. About \$927,000,000 of this consisted of munitions. Industrial items totaled over \$200,000,000, foodstuffs transferred amounted to \$157,000,000, and shipping and other services accounted for \$77,000,000.

The volume of lend-lease aid made available to our allies in any particular month is determined, of course, by many different factors—the rate of production in the United States, the availability of shipping, and the needs of our own armed forces and civilian population in relation to the needs of other nations. As the military strategy of the war develops, constant changes must be made in our strategy of supply so that our war production will be utilized with the greatest possible effect against the enemy.

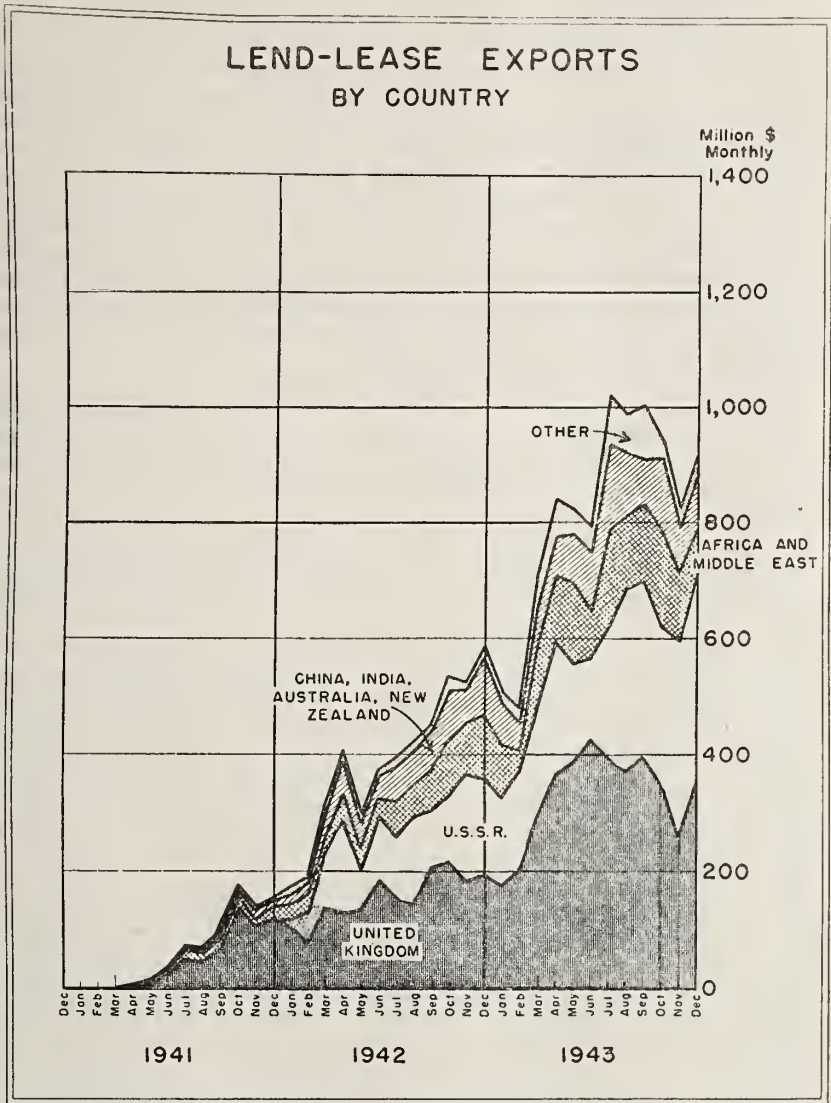
In the last analysis, a function of lend-lease as of all wartime operations, is to make possible the carrying out of the strategic decisions of our military commanders. The responsibility for these decisions rests with the Combined Chiefs of Staff. In addition commanders in the field such as General Stilwell in China and General MacArthur in Australia, make the appropriate on-the-spot decisions as to what supplies should be made available under lend-lease to the theaters under their command. The actual allocations of our resources are made by agencies such as the Combined Munitions Assignment Board, the Food Requirements and Allocations Committee, the Requirements Committee of the War Production Board, and the War Shipping Administration. It is up to these agencies to carry into effect on the supply level the grand strategy of the war. As the strategy changes, so do the volume and character of our supply operations, including lend-lease.

Chart IV [indicating] shows the monthly lend-lease exports broken down by theaters of war. As you can see, not only the total volume of lend-lease exports but the exports to any particular area may change radically from month to month. These variations, like the variations in the over-all volume of lend-lease aid, are the result of many factors. In the end, however, they can all be reduced to the various elements of military strategy. As a great offensive is planned in a theater of war, the volume of supplies and of shipping allocated to that theater is increased. A few months later, the requirements of another theater may have first call on our resources. Lend-lease fulfills its purpose only to the extent that its operations assist in carrying out such military strategy. Our job is to get the goods to the battle fronts to defeat the Germans and the Japanese.

Our partners in the United Nations are putting everything they have into the war. Their major contribution consists in fighting with all their resources and their manpower against our common enemies.

Mr. MUNDT. Mr. Chairman, I would like to know what the different shadings on the chart indicate.

Mr. EAST. The heavy shading at the bottom of the chart represents exports to the United Kingdom; the next shading indicates exports to Russia; the double cross-hatched shading represents shipments to Africa and the Middle East; the single-hatched shading indicates



Foreign Economic Administration

CHART IV

goods for China, India, Australia, and New Zealand; and the dotted shading at the top shows exports for all others.

Mr. MUNDT. Would South America be included in the "others?"

Mr. EAST. Yes, sir.

Chairman BLOOM. Proceed, Mr. Crowley.

Mr. CROWLEY. But, in addition, those of our allies who are in position to do so are supplying us with articles and materials and vital information as reverse lend-lease.

At the hearings a year ago, this committee expressed interest in obtaining figures which would give a conception of the extent of the reverse lend-lease assistance which we are receiving from our allies.

Following the hearings, a careful study was made of the problem. Representatives of the Lend-Lease Administration in London discussed the question at great length with the British representatives, and the United Kingdom undertook to develop statistics as to its sterling expenditures for providing reverse lend-lease aid. On November 11, 1943, the United Kingdom published a white paper, estimating the sterling expenditures for certain types of reverse lend-lease assistance. At the same time, the President sent to Congress a report on the sterling expenditures for reverse lend-lease assistance rendered not only by the United Kingdom, but by Australia, New Zealand, and by the other members of the British Commonwealth of Nations up to July 1944.

Mr. VORYS. Is that correct? Don't you mean 1943?

Mr. CROWLEY. I wish to correct that. That date was July 1943.

These cost figures have been kept as current as possible and we are now able to give you a rough estimate of the cost to our Allied Governments of the reverse lend-lease aid which they rendered to us up to October 1, 1943.

The sterling expenditures for reverse lend-lease aid can be translated into rough dollar estimates by using the official exchange rate, although this does not reflect difference in price levels or purchasing power.

On this basis the reverse lend-lease aid we received from the British Commonwealth of Nations up through September 30, 1943, exceeded \$1,500,000,000.<sup>1</sup> In the United Kingdom, this included stores and supplies ranging from Spitfires to British-grown vegetables, airfields, barracks and other facilities built for our forces, oil and repair for ships all over the world. In the case of Australia, New Zealand, and India, they supplied our forces in the South and Southwest Pacific and Asia with the major proportion of their foods, as well as many other supplies, facilities, and services.

You will find more detailed information on reverse lend-lease in your binders. We expect to be able to furnish the committee with further information on this subject before the hearings are concluded. I understand this committee felt that the story of reverse lend-lease as told to you last year by Major Spiegelberg was helpful. This year, we have arranged for Colonel Eddy, who has been in charge of this work for the United States Army Service Forces in Australia, to describe to you how reverse lend-lease has operated in that part of the world. He will be available to testify before the committee.

Mr. VORYS. May I interrupt, Mr. Chairman?

Chairman BLOOM. Mr. Vorys.

Mr. VORYS. Here is a reference to more detailed information on reverse lend-lease in the "binders." I do not know what the other binders contain but all of the pages in my binder are blank. I do not know whether it is a secret to say that there is not any information

<sup>1</sup> See statement on reverse lend-lease aid commencing on p. 141.



in the binder. I do not know whether or not all the binders are in that shape.

Mr. CROWLEY. That information is on the way over from England now, Congressman.

Mr. VORYS. Then everybody's binders are in the same shape. I do not know whether or not that information is secret.

Chairman BLOOM. Will that information be over here soon?

Mr. CROWLEY. I think it will arrive momentarily.

Chairman BLOOM. All right, proceed.

Mr. CROWLEY. I should like, however, to emphasize that neither the figures of lend-lease nor reverse lend-lease expenditures accurately reflect the relative contribution of any of the United Nations to the war, nor are lend-lease and reverse lend-lease costs in any way comparable.

When a nation sends a tank or PT boat into the fight manned with its own crew, it certainly contributes no less than when it provides a tank or a PT boat, without the crew, as lend-lease or reverse lend-lease. The Soviet Union, for example, has been able to provide only a relatively small amount of reverse lend-lease, yet can anyone say that it has not given its fullest measure to the cause of the United Nations victory?

Our principal allies have contributed fully in proportion to their resources. Total United States war expenditures, including those for lend-lease, have increased from approximately one-third last year to one-half this year of our national income. Both last year and this year the United Kingdom, for example, spent more than one-half of her national income for the war.

This can be illustrated by some confidential figures which I can supply to the committee, showing the relative war expenditures of various participants in the war in terms of their national incomes.

The relative financial contributions of the Allies provide a useful measurement of one phase of our combined war effort. But financial figures alone cannot measure the relative contributions toward winning the war of the United States and the other United Nations. We are fighting this war primarily with men and ships and weapons, with steel and food, not merely with dollars. What each of the United Nations contributes necessarily differs with its resources and with the circumstances of the war as it has progressed. Some have been called upon to give more in lives and others in weapons or in materials, or in destroyed homes and cities. We are giving what we can for victory.

As the United Nations stand ready for the final drive to victory, we are bound together by a comradeship in arms that has increased in strength as we have gained in confidence in each other. That confidence must be maintained. There have been those who have sometimes thoughtlessly and other times deliberately sought to undermine our confidence in the good faith of our allies.

I know that this committee, which last year unanimously approved the extension of the Lend-Lease Act, shares with me an apprehension of the dangers which may flow from such an attitude. Such thinking does not reflect a knowledge of the realities of this war. The lend-lease supplies which have been furnished by us are dispatched in accordance with the strategy determined by our military authorities.

If our resources are strained in fighting this war, the resources of those nations in the active theaters of combat are strained in even fuller measure.

Lend-lease is an investment in American security—an investment so sound that it has already paid us enormous dividends in lives saved and in security for our homes and our soil.

If we had not sent lend-lease goods to Britain and Russia and China and the other nations fighting on our side, we might be fighting this war now without allies. No one can calculate what our losses would then have been in men and resources, how long such a struggle would have continued, or who would have gained the victory. Even now, fighting shoulder to shoulder with our allies, the cost to us in men and materials will be great. Freedom is never free; it is often bought dearly, and this time is no exception. But in the end, the price to all of us is going to be far less because of lend-lease and the other United Nations.

Not to extend the Lend-Lease Act would be to call off part of the war—and an essential part—just at the moment when we are poised for our greatest offensives.

We and the other United Nations are tooled up for victory. Our men and our weapons are deployed. But victory is not yet ours.

To achieve victory, it is now more than ever essential to combine our supplies as well as our manpower. Only if we supply the Soviet Union with more planes, guns, steel, and food can she strike with fullest effect a new and mighty blow from the east while we strike from the south and west. Only with an ever-increasing volume of aid can China become the great land base from which we can strike at the heart of Japan. Only if we continue to help arm the airmen, the soldiers and the sailors of Britain can they play their full part by our side in the invasions to come. We cannot slacken for a moment our efforts of mutual war aid through lend-lease and reverse lend-lease until our armies finally march down the streets of Berlin and Tokyo.

Chairman BLOOM. Are you sure there are going to be some streets there?

Mr. CROWLEY. I hope not.

Mr. Chairman, Mr. Rieflier is here. He has charge of our economic warfare work in London and if the committee would like to hear him at this time I would like to have him speak because he cannot stay in the United States. He has to go back just as soon as he can get a plane.

If you can go in executive session we would like to have you hear his story of what part we are playing in this work, so that he can go back to London and we can proceed with the questioning at a later time.

Chairman BLOOM. Off the record.

(Discussion off the record.)

Chairman BLOOM. Is it the desire of the committee to go in executive session?

Mr. JOHNSON. I so move, Mr. Chairman.

Chairman BLOOM. The committee will go in executive session.

(Thereupon, at 11:30 a. m., the committee went into executive session, after which it adjourned to meet on Thursday, March 2, 1944, at 10:30 a. m.)

## EXTENSION OF LEND-LEASE ACT

THURSDAY, MARCH 2, 1944

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
WASHINGTON, D. C.

The committee met at 10:30, pursuant to adjournment, Hon. Sol Bloom (chairman) presiding.

Also present: E. R. Stettinius, Jr., Under Secretary of State; Leo T. Crowley, Administrator, Foreign Economic Administration.

Chairman BLOOM. The committee will kindly come to order.

The committee will resume its consideration of H. R. 4254, extension of lend-lease.

Mr. Crowley?

### STATEMENT OF LEO T. CROWLEY, ADMINISTRATOR, FOREIGN ECONOMIC ADMINISTRATION

Mr. CROWLEY. You have all been presented with books containing certain factual data about lend-lease. We would be very willing to answer any questions you wish to ask from the binders, and if there is some particular thing that we feel ought to be answered in executive session for reasons of military security, why, we will then advise you. Also with respect to the answers to other questions, we will be pleased to amplify our testimony and make these answers a part of the record.

Chairman BLOOM. Mr. Johnson?

Mr. JOHNSON. Mr. Chairman, I think that Mr. Crowley's statement and the information furnished us in his book contains all of the facts, the essential facts.

I want to express my agreement and hearty approval of Mr. Crowley's statement, however, to the effect that in the midst of war we could not even think of discontinuing the assistance we have been giving under lend-lease.

We would be like withdrawing our Army when we are in the midst of battle and when victory is almost in sight.

While I realize that we cannot tell when victory will come, we do know that we have to keep on fighting the enemy until it does, and that lend-lease is one of the most effective weapons that we have used so far.

Chairman BLOOM. Do you mind an interruption there, Mr. Johnson?

Mr. JOHNSON. Not at all.

Chairman BLOOM. You say we have to keep on fighting the enemy until it does. Does what?

Mr. JOHNSON. Until victory comes.



Mr. EATON. Until the Allies have won complete victory.

Chairman BLOOM. All right.

Mr. JOHNSON. I am sorry I did not make myself clear. I thought the chairman realized which side of the fight I was on.

Shortly after lend lease was passed, I read a statement by some war correspondent who had interviewed an old German over in Germany. And he asked him when the war was going to end.

The German got talking about it and he was very emotional, and said that Hitler was going to lose; that lend-lease which meant aid of the United States to our allies, meant his doom, and he was in tears.

I think the report that has been made here by Mr. Crowley has certainly vindicated that prophecy because the effectiveness of lend-lease, so far as the Allied cause is concerned, has certainly been demonstrated.

I do not think of any questions, Mr. Chairman. I simply want to thank Mr. Crowley for the information, and commend him on the fine statement he has given us.

Mr. CROWLEY. Thank you, Congressman.

Chairman BLOOM. Dr. Eaton?

Mr. EATON. I wonder if it would be possible to place this sacred folder here in the hands of every Member of Congress? I think it would solve the problem of understanding this program.

Mr. CROWLEY. There is certain information in there, such as the amount and character of our aid to China, that would have to be eliminated.

Would you have any objections to eliminating certain secret information and then giving each Member of Congress a copy of it?

Mr. OSCAR COX, general counsel of the Foreign Economic Administration. We shall make a part of the record of these hearings, all of the information contained in these binders which is of any importance and which does not reveal any military secrets.

Mr. EATON. This will have to come before Congress. And you must know, I believe, that there has been much misinformation put out about lend-lease, in the nature of misstatements of fact, and it has been scattered all over the country.

Now, have we expended \$20,000,000,000 or allocated it?

Mr. CROWLEY. Yes.

Mr. EATON. We have actually expended \$20,000,000,000?

Mr. CROWLEY. No, the dollar amount of the total aid supplied up to January 1, 1944, was \$20,000,000,000.

Mr. EATON. How much have we left in the kitty?

Chairman BLOOM. Off the record.

(Discussion off the record.)

Mr. EATON. Well, now, have you any indication as to the further cost of this enterprise?

Mr. CROWLEY. No; because we did not anticipate that we would have to prepare those figures, Doctor, until we appeared before the Appropriations Committee, but although the supply needs may be greater for the next fiscal year it would be reasonable to assume that we might be asking for less funds to be appropriated than we asked for last year.

Mr. EATON. How much less?

Mr. CROWLEY. We may have left several billion dollars this year, so that it may be we will ask for a smaller appropriation for the next fiscal year than we have this year.



Mr. EATON. I would just like to ask, for the sake of the record, one question.

Do we use lend-lease funds for boondoggling in South America in any way, like, for instance, I had a communication which announced that we had spent a great sum of money to build a sewage system for some South American city.

Mr. CROWLEY. We would be very happy to put into the record, so far as we can, with military approval, what has been sent to South America.

Mr. EATON. We have it in the record now.

Mr. COX. I believe I can answer your question, Dr. Eaton. The only aid rendered to South America has been in the form of finished munitions like guns, tanks, airplanes, vessels, and the materials going into the production or the manufacture of finished munitions in their arsenals and other factories.

There have been no funds allocated from lend-lease for sewage systems or anything of that character. The total amount of aid rendered to all of the South and Central American countries up to January 1, 1944, is just about \$127,000,000, of which part has been repaid under agreement with these countries.

Chairman BLOOM. Is that the entire amount, \$127,000,000, for the 20 countries to the south of us?

Mr. COX. That is right.

Mr. JOHNSON. \$127,000,000 is perhaps a small percentage.

Mr. COX. Less than 1 percent of the total lend-lease rendered has gone to the South and Central American countries. All of the lend-lease aid provided to the other American republics is under authorization by the combined Chiefs of Staff. The original program was approved by General Marshall and Admiral Stark, before it was instituted, and all of the munitions transferred were approved by the Chiefs of Staff and the Munitions Assignment Board. We will put into the record a more detailed statement on this subject. But I think I have given you the highlights.

(The statement requested is as follows:)

#### SOUTH AND CENTRAL AMERICAN COUNTRIES

Lend-lease exports to the South and Central American countries totaled \$92,954,000 in 1943 as compared with \$34,648,000 in 1942. Most of the matériel consisted of finished munitions or supplies for ordnance and similar factories to produce munitions.

Since the signing of the first lend-lease agreement—with the Dominican Republic on August 2, 1941—until the most recent, that with Chile on May 2, 1943, 18 such agreements have been negotiated, and munitions and other lend-lease materials valued at \$128,000,000 have been sent to these countries. Less than 15 percent of the total consisted of industrial items, and only \$55,000 of agricultural products were lend-leased.

## EXPORTS TO LATIN AMERICA 1941 - 1943



Foreign Economic Administration

### *Lend-lease exports to South and Central America <sup>1</sup>*

[Thousands of dollars]

	1941	1942	1943	Total
Ordnance and ammunition.....		4,249	16,610	20,859
Aircraft and parts.....	363	17,798	33,189	51,350
Tanks and vehicles.....		10,549	26,332	36,881
Watercraft.....		103	514	617
Munitions.....	363	32,699	76,645	109,707
Industrial materials and products.....	2	1,934	16,269	18,205
Agricultural products.....		15	40	55
Total.....	365	34,648	92,954	127,967

<sup>1</sup> The 20 republics in South and Central America and the Caribbean.

Agreements have been made with all the countries except Argentina and Panama. Argentina has not received any lend-lease aid and Panama is furnished aid under provisions existing for the protection of the Panama Canal Zone.

Nearly one-half of all lend-lease aid thus far assigned has been for Brazil, and more than 63 percent of exports already moved have gone to Brazil. Three-fourths of the lend-lease aid thus far assigned is scheduled for Brazil, Chile, Mexico, and Peru. Most of the materials supplied to these nations under lend-lease are procured by the military agencies of the United States and sent to them to complement military projects under way.

The lend-lease agreements with the American republics include provision for repayment to the United States of a share of the cost of the lend-lease aid supplied to them, the percentages varying with the different countries. Basically, the lend-lease program for the American republics is designed to strengthen the military defense of the Western Hemisphere and encourage the continued production of raw materials essential to the war production program of the United States.

The benefits to the United States resulting from our lend-lease and other policies in South and Central America are indicated in several illustrative ways: The maintenance by our neighbors of antisubmarine patrols that help protect

our merchant ships carrying vital raw materials to American war plants; the grant of permission to the United States by the South American countries to establish military, naval, and air bases and use harbors and airports; permission to fly military planes above their territories; and many other privileges not ordinarily accorded.

The American republics have undertaken to regulate Axis subversive activities and 15 different countries have permitted the Federal Bureau of Investigation to send its representatives to our missions in South and Central America to aid in these programs. Many of the vital raw materials which are not available in the United States but which are essential in the fabrication of munitions are obtainable in these countries.

Through purchase contracts effected by the Foreign Economic Administration and other agencies of our Government, many of the nations are supplying us for vital war production such strategic and critical materials as iron ore, copper, mica, quartz crystals, lead, tungsten, tin, quinine, rubber, mercury, and others. Without such vital materials the huge steel, radar, and other essential production programs now under way in the United States never could have been possible.

All of the South and Central American countries having lend-lease agreements have complied with their basic commitments where cooperation in the war effort is concerned—they have rounded up Axis spies and saboteurs, impounded Axis-owned funds and have cut-off all trade of benefit to the Axis. They have helped in many other ways, too. Brazil has cooperated with Cuba, Haiti, and the Dominican Republic in the defense of the Panama Canal and has provided facilities for the repair of American and other United Nations ships.

Our supply lines to our forces in the South Pacific have been held secure and the defense of our own western coast line has been aided by the help of Ecuador, Peru, Bolivia, and Chile. Our coast line along the Gulf of Mexico has been strengthened by Mexico, Colombia, Venezuela, and the Central American republics. The Brazilian Navy has contributed much to the clearance of South Atlantic waters by eliminating the submarine menace. Brazilian airmen flying lend-lease planes have also played an important role in this achievement.

Mr. EATON. Of course we should make it clear why these military supplies have been sent to the South American countries with reference to their assistance in meeting the submarine menace on the Atlantic and Pacific coasts.

Mr. COX. That is right.

Mr. EATON. It would be a great disappointment to many patriots to discover that we have not boondoggled in South America.

Chairman BLOOM. That is very clear.

Mr. EATON. That is good enough for a Democrat.

Chairman BLOOM. Is it not strange how you and I always agree?

Mr. EATON. Pardon me?

Chairman BLOOM. You heard me.

Mr. EATON. We always agree when we are not in disagreement.

Chairman BLOOM. May I say this, with reference to furnishing a folder like this, Mr. Crowley—most of this information that is in here could be included in our report?

Mr. CROWLEY. Yes, sir.

Chairman BLOOM. And I think it could be used and handled much better that way than putting it all into print, and we could use the same report for our information; that is, to other people outside of the Members of the Congress.

Mr. CHIPERFIELD. Will the chairman yield for a question?

Chairman BLOOM. Mr. Chiperfield?

Mr. CHIPERFIELD. Most of the contents of this folder will be used in your new report, which is just put out for the Congress, is it not?

Mr. CROWLEY. Yes, sir.

Mr. CHIPERFIELD. I notice in your last report, you carried the charts out until October, now it is carried out for the calendar year; that is, the documents, and so forth.



I would like to have indicated precisely what parts are secret and which parts we can refer to openly.

Mr. CROWLEY. I think we can do that.

Chairman BLOOM. You say you can?

Mr. CROWLEY. Yes; we will be very happy to.

Chairman BLOOM. Judge Kee?

Mr. KEE. Mr. Crowley, on yesterday you referred to planes being flown out of England by aviators of the Allies or of the nations in exile located in England.

Are those furnished through lend-lease to the exiled governments?

Mr. Cox. Most of the planes flown by the personnel of the exiled governments out of Britain are British-produced planes, although they are flying some lend-lease planes. Most of these pilots are flying in R. A. F. squadrons which, of course, are primarily equipped with British planes.

You see, the British production of planes is in excess of the Germans now, and most of the planes of certain types are produced right there in England. They are supplemented by planes sent through lend-lease, and are flown by those exiled pilots.

Mr. KEE. I wonder if we have any arrangements whereby we recover as salvage any of the critical materials, metals, and so forth, from planes and other instrumentalities that are destroyed in some way, where we can reach them over in Europe; that is, material that we have furnished?

Mr. CROWLEY. We will check with the military, and give you a statement on that, Judge.

(The statement requested is as follows:)

#### OVERSEAS BATTLEFIELD SCRAP

1. As conditions in former battlefields permitted, salvage and scrap material has been retrieved and transported to various salvage dumps. At this point a certain amount of segregating is done and material of an explosive nature is largely removed.

2. This material consists principally of wrecked combat tanks, wrecked vehicles, fired cartridge cases of various kinds, parts of guns and of virtually every type of equipment used on the battlefields and by the supply services. Crashed aircraft aluminum was being returned until recently.

3. As ships are available the salvage and scrap material is returned, principally as ballast. It is received in the United States at seven salvage segregation centers established in recent months for the purpose of segregating and handling salvage returned from overseas. These centers are located as follows:

Boston, Mass., First Service Command.

Brooklyn, N. Y., Second Service Command.

Frederick, Md., Third Service Command.

New Orleans, La., Eighth Service Command.

Seattle, Wash., Ninth Service Command.

San Francisco, Calif. (Berkeley), Ninth Service Command.

Los Angeles, Calif. (Southgate), Ninth Service Command.

4. Upon receipt of this material it is unloaded at the salvage segregation center and thoroughly screened for material of an explosive nature and for whatever reclaimable items may be found. After segregation, the scrap is sold to scrap dealers who prepare it for the consumers. There has been a constant demand from the steel mills for the scrap iron, particularly in the East.

5. Most of the scrap received to date has been shipped from Middle East and North Africa, with fair quantities beginning to arrive from Sicily and Naples. The largest part of the scrap was received at the ports in the Second and Third Service Commands. The Middle East scrap is largely British scrap turned over to the United States on reverse lend-lease.

6. Fired cartridge cases have been returned in large quantities. A substantial percentage of these have been in suitable condition for resizing and reloading for reuse.

7. From available records approximately 70,000 tons of iron and steel scrap from overseas was received in the United States during the past year and other items as follows:

Fired cartridge cases, 2,216 tons; crashed aircraft aluminum, 3,424 tons; other nonferrous scrap metals, 583 tons; scrap rubber, 2,907 tons.

8. Up to January 1, 1944, approximately 60 percent of the scrap returned was from the Middle East.

9. Total quantities of all salvage returned can be secured if required. Considerable repairable property returned as salvage is consigned to the Army Air Forces and to several technical services of Army Service Forces. The total weight of all salvage and scrap up to February 1, 1944, will approximate 150,000 tons.

Mr. KEE. Could you tell us, Mr. Crowley, whether or not the operations of lend-lease and the shipment of materials by the lend-lease authorities have been, at any time, materially slowed up by reason of the slowing up of production in the factories of America?

Mr. CROWLEY. Well, of course, I think everyone agrees, Judge, that labor and industry in this country have done a wonderful job and that we never would have been able to have met any of the demands like we have except for the step-up in production.

Now, while there may have been some reduction on account of this, that, or the other thing, temporarily, an over-all view certainly would indicate that production has been very satisfactory.

Mr. KEE. And that, as a rule, production has kept up with the needs of the lend-lease authority?

Mr. CROWLEY. Yes; I think so; taking into consideration the tremendous demands of our own armed forces and our civilian population.

Mr. KEE. For the shipment of those materials.

Mr. CROWLEY. Of course, until recently lend-lease needs, like the needs of our own armed forces, were greater than could be supplied, and, of course, many items are in short supply today.

But certainly production has been fine. There has been no criticism that I know of on production.

Mr. KEE. This is a question that merely calls for an opinion, and possibly it is obvious, but is it not your opinion that every Jap and every German killed or effectively put out of the conflict by reason of ammunition and materials furnished by us to our allies through lend-lease, is just one more Jap or one more German that saves us the trouble of putting them out?

Mr. CROWLEY. There is no doubt about that, that the lend-lease aid we have given to Russia and the lend-lease aid we have given to England and our other Allies have been very helpful to them and to us. This aid has saved many of the lives of our own boys as well as the boys of our allies and has shortened the war to an immeasurable extent.

I think it is very unfortunate that, in the minds of some people, lend-lease is kind of a Santa Claus thing. To my mind it is the way in which we give aid to our allies in order to further the common war effort and our own national security.

Now, you can pick out certain items we have sent under lend-lease and say, Well, now, why did you give them this or that; but when you take all of those items and add them together, as compared to the \$20,000,000,000 of total lend-lease aid, they do not amount to very much.

The main thing that I see is that we are helping our allies so that they may help us.



So far as I know there has not been a finger of suspicion pointed at anyone in lend-lease for dishonesty. Everyone in it has tried to do an honest and courageous job.

Naturally, you can go back, and I presume in years to come, when the job we have been doing is over, they will say, "Why did we do this and why did we do that?" but when you are trying to fight a war you should keep your eye on the main objective and give all the help you possibly can to win the war. Insofar as I know of the economics of our allies, no matter what you give them directly or indirectly, certainly it must make a great contribution to their strength in fighting this war.

Mr. KEE. I agree with you. Thank you.

That is all.

Chairman BLOOM. Mr. Chipfield?

Mr. CHIPERFIELD. Mr. Crowley, I want to reserve most of my questions. The name of this act originally was "An act to promote the defense of the United States," was it not?

Mr. CROWLEY. That is right, sir.

Mr. CHIPERFIELD. Then, after we got into the war, as I understand it, the main purpose of this act was to help win the war; is that correct?

Mr. CROWLEY. There is no disagreement on that.

Mr. CHIPERFIELD. And when the war is over, then the functions of lend-lease would be over?

Mr. CROWLEY. That would certainly be true, with the exception, Congressman, that we would want to salvage as much as we can by an efficient and orderly liquidation.

I agree that lend-lease is a war emergency measure.

Mr. CHIPERFIELD. I agree with you, too, and of course we would want to get as much back as we can.

In the report to Congress on lend-lease for the period ended July 31, 1943, in the President's letter of transmittal, it says:

I have said we shall bring food for the starving and medicine for the sick in the areas liberated by the United Nations. We have done so under lend-lease in north Africa. We are doing so in Sicily. We shall continue to do so in other territories as they are liberated to prevent economic break-down and to aid liberated peoples to produce and help themselves.

According to the President's statement, there doubtless is another function of lend-lease, and that is the feeding of our enemies as soon as they are liberated.

Mr. CROWLEY. That statement was made prior to my connection with the administration of the Lend-Lease Act, Congressman.

Mr. CHIPERFIELD. That is correct, sir.

Mr. CROWLEY. As I understand the function of lend-lease, so far as medicine and food are concerned for civilians in liberated areas such as North Africa and Sicily, the theory, as we said yesterday, is that they benefit our military operations and you can get the cooperation of these civilians if you give them a little bit of aid.

Now, it never was my thought, Congressman, that lend-lease would be used as a means of effecting permanent rehabilitation in the liberated areas.

Mr. CHIPERFIELD. That is for U. N. R. R. A., is it not?

Mr. CROWLEY. That is my understanding; when the Army moves out then U. N. R. R. A. moves in and they take up this particular function.

In the meantime, while the Army is in there, until U. N. R. R. A. gets set up, the Army with the aid of the F. E. A., will try to take care of that emergency that may exist during that interim.

Mr. CHIPERFIELD. There also was in that report a paragraph that was taken out, which said something like this: That we did not want to build up international debts like in the last war, and all we look for is a just and lasting peace. For some reason, that was taken out, more or less apologizing for the thought of getting anything back.

Do you agree that that is a proper function of lend-lease?

Mr. CROWLEY. Well, let me say this to you: It is my idea that the function of lend-lease first is to try to get materials to our allies, so that they can help win the common war.

I think that the question of how you are going to claim stock piles that may be left over and liquidate lend-lease, is something that perhaps will have to wait until you get this shooting over with.

I think we are getting things a little bit in reverse order here; that we first ought to win the war before we start declaring our dividends, and insofar as I am concerned, the main thing that I want to do is to get lend-lease extended in order that we may be able to continue to give our allies help to win the war as speedily as possible.

Now, insofar as the lend-lease settlement is concerned, as I understand it, the Lend-Lease Act and the Executive order under which we operate call for that to be determined by the State Department and the President, with the advice of the Lend-Lease Administrator.

As I said in my statement yesterday, I would like to have Mr. Acheson testify, Congressman, on that particular aspect of lend-lease.

Mr. CHIPERFIELD. I am in entire agreement with you on your interpretation of it, but I just want to get it cleared up for the record.

Then we had in the master agreements, section 7, which provides everybody is to try to do away with international trade barriers. That is contained in all of these international agreements.

Even while we do not have lend-lease direct with Canada, in an exchange of notes she was required to accept the terms of section 7; is that not true?

Mr. Cox. That is right.

Mr. CHIPERFIELD. Well, first, then, we have this act designed to defend the United States.

Then we have it to win the war.

Then we have it to feed our enemies.

Then we apologize for wanting to get anything back.

Then we have free trade and one world and everybody is happy.

Am I wrong in my interpretation of it?

Mr. CROWLEY. I can agree with you when you speak of trying to win the war and trying to feed some of these starving people while we are in the occupied part of that country.

Of course, there is no doubt about my philosophy, but insofar as trying to change the whole world is concerned, I do not think I am quite up to it or that anyone connected with lend-lease conceives of the lend-lease program in that way. I am just an ordinary businessman, trying to administer the Lend-Lease Act.

Mr. CHIPERFIELD. That is exactly why I want to bring out your viewpoint on it so that at a later date we will know just what its functions are and that lend-lease is not to improve the world and to

cure all our economic ills, but that we are trying to win this war and we are trying to get materials to our allies.

Mr. Cox must have had a very broad aim to have thought that one up, in the beginning to defend ourselves and then later do away with all of our international trade barriers and fix everything up in one act.

Mr. JOHNSON. Will the gentleman yield to a question?

Mr. CHIPERFIELD. Yes, sir.

Mr. JOHNSON. With reference to the question asked by Mr. Chiperfield with reference to the financial aid to the occupied countries, that is, in North Africa, under the hearings which we had on U. N. R. R. A., the testimony developed there, as I recall, was that all of the money that we had loaned or put into North Africa through the French had been repaid to us; is that correct?

Mr. Cox. The French have paid on account for a substantial part of the lend-lease supplies made available for civilians, and the lend-lease agreement with the French committee provides for the payment on account for all of the balance insofar as they have any available assets to do so.

There has been paid on account up to date some \$60,000,000.

In addition to that, they have been supplying strategic and critical war materials as reverse lend-lease aid.

Mr. JOHNSON. Furthermore, as I understand it, Mr. Crowley, concerning the question asked by Mr. Chiperfield, about furnishing food, it is only when the military authorities think that it is necessary and requisition it; that is the only time that it is furnished.

Mr. CROWLEY. We cooperate with the military and continue to try to give these people something to eat until the period of military control has passed and U. N. R. R. A. takes over.

Mr. JOHNSON. And it has been the practice to apply it through the military authorities?

Mr. CROWLEY. That is correct. Everything has been done in cooperation with the military authorities.

Mr. JOHNSON. In other words, they make the request to requisition as to conditions and requirements.

Mr. CROWLEY. Yes—right down to the present.

Mr. JOHNSON. That is right up to now.

Mr. CROWLEY. That is right. But I want the committee to understand that we in F. E. A. are going to have to cooperate with the Army with some of our funds to help the Army provide essential civilian supplies to these people in liberated areas just as we have in North Africa and as we are commencing in Sicily and Italy.

Mr. JOHNSON. That is a military problem, as long as the Army is in there.

Mr. CROWLEY. Yes, it is a military problem.

Chairman BLOOM. Mr. Crowley, to get the record straight I want to get the title of the act which always has been the title. If, as I remember correctly, the title of the act that is called Lend-Lease, is—and I read from the act itself—"Further to promote the defense of the United States, and for other purposes."

That is the title of the act that we have under consideration, and always have had under consideration.

Mr. CHIPERFIELD. Then I will ask Mr. Crowley what those other purposes are.



Mr. COX. That is the usual legislative language contained in almost all acts, but I think it is sufficiently clear that the purpose of the act and the administration of the act since the very outset was fixed on one central point: It was a security measure before we were in the war; and it is a security measure while we are in the war. That is the only major purpose and extent of it. As I understand it those have been the major purposes from the beginning.

Mr. CHIPERFIELD. I am glad to hear you say so.

Mr. CROWLEY, where is Bahrein? Do not feel badly because I did not know myself, and I called the cartographer at the Congressional Library and he did not know, either.

Mr. COX. That is an island in the Middle East, in the Persian Gulf. It has oil reserves and a refinery on it.

Mr. CHIPERFIELD. Where is French Oceania?

Mr. COX. It is a group of islands in the South Pacific to the east of Australia.

Mr. CHIPERFIELD. Where is Tobago?

Mr. COX. Off Trinidad.

Mr. CHIPERFIELD. Where is Surinam?

Mr. COX. That is another name for Dutch Guiana in South America.

Mr. RICHARDS. Will the gentleman yield?

Mr. CHIPERFIELD. Yes.

Mr. RICHARDS. Where is Timbuktu?

Mr. CHIPERFIELD. Where is Mauritius?

Mr. JOHNSON. Perhaps that is inappropriate.

Mr. CHIPERFIELD. It may still be necessary to spend money at these places, and we all better find out where they are before we get through.

Mr. JOHNSON. I am just observing.

Mr. CHIPERFIELD. I certainly have a right to ask questions.

Mr. JOHNSON. And I have a right to comment, as you know.

Mr. CHIPERFIELD. Not unless I yield to you because I happen to have the floor.

Mr. JOHNSON. I apologize to the distinguished gentleman from Illinois for butting into his very able cross-examination.

Mr. CHIPERFIELD. I accept the apology.

Where is Mozambique?

Mr. COX. On the east coast of Africa.

Mr. CHIPERFIELD. I reserve the balance of my questions.

Mr. JOHNSON. I move the gentleman has the right to extend his remarks in the record.

Chairman BLOOM. Mr. Richards?

Mr. RICHARDS. Mr. Crowley, just to condense this thing a little, you say you have spent something over \$20,000,000,000 for lend-lease. Now, I know you are not a military man, but it is reasonable to conclude, is it not, that if this money had not been spent, the battle in Africa would not have been won?

Would you conclude that? I would, from your report here.

Mr. CROWLEY. I think we have got to assume, Congressman, that if we did not provide aid to the Allies through this means, that they would have had that much less equipment to fight this war, and that certainly if they did not have the equipment in North Africa, they could not have done what they did there.

Mr. RICHARDS. And they did not have the equipment until lend-lease came along?

Mr. CROWLEY. That is my understanding.

Mr. RICHARDS. Now, the same thing applies to Russia, does it not? I notice from your figures we have furnished Russia with probably 9,000 planes so far.

Mr. CROWLEY. Congressman, I do not think there is a person in this room who would not agree that the materials we have sent to Russia have been very useful in helping to win this war.

Mr. RICHARDS. And it is probable that if those materials had not been sent, the Germans would not be in retreat there now.

Mr. CROWLEY. I certainly think that the Russians would agree that our aid to them has stimulated their ability to do what they have done.

Mr. RICHARDS. And if it had not been for lend-lease, we would probably not be in Italy now?

Mr. CROWLEY. I do not think, Congressman, that any one could imagine what might have happened if we had not had lend-lease to give aid to the other countries fighting with us.

Mr. RICHARDS. Now, lend-lease, from its inception, was supposed to be a give-and-take proposition, was it not, between the United Nations?

Mr. CROWLEY. That is right.

Mr. RICHARDS. Now, what is the approximate over-all figure as to what we have gotten in reverse lend-lease.

Mr. CROWLEY. Would you be kind enough to repeat that?

Mr. Cox. It is in excess of a billion and a half as of October 1, 1943. The latest figures have not yet come in from the United Kingdom. They are expected in a few days, but we are sure it is in excess of a billion and a half.<sup>1</sup>

What the exact amount is in excess, we do not know yet.

Mr. CHIPERFIELD. As I understand it, in your figures, your complete figures do not run up beyond 1943 so far as reverse lend-lease is concerned; they do not go beyond June, 1943?

Mr. Cox. Yes. The figures we are talking about are through September 30, 1943.

Mr. CHIPERFIELD. Well, now, why have we not been able to get more figures on reverse lend-lease than we have? The figures we have are very incomplete.

Now, I do not mean figures of yesterday or last week, or possibly last month, but the figures that we have gotten here are very incomplete.

You say they are not all in, and leave it at that.

Mr. Cox. I can give you three reasons why there is a great lag in the reverse lend-lease figures and why they are not at all complete.

(1) Most of the figures that have been gotten up by the United Kingdom and the British Commonwealth, for example, are not handled through a central source the way they are here by the Lend-Lease Administration. They have to be pulled together by their governments, and reverse lend-lease is spread all over the globe, in terms of supplies made available; say, oil for the bunkering of ships, munitions, and so forth.

<sup>1</sup> See pp. 141-148, and appendix A, p. 224.



(2) In the United States most of the aid goes through one central source from procurement through delivery, so that you can trace it much easier.

(3) A good part of the reverse lend-lease aid has been rendered in combat areas, where manpower is primarily concerned with fighting the war. In these areas there is not much time nor the facilities to keep accurate and detailed figures and get it in soon.

Mr. RICHARDS. Thank you.

Then we have gotten in reverse lend-lease from all of the United Nations about one billion and a half so far. I do not know the exact percentage, but it would not be more than about one-tenth.

Mr. Cox. No.

Mr. RICHARDS. A little less than one-tenth.

Mr. Cox. Probably in excess of 10 percent.

Mr. RICHARDS. Now, as I understand it, practically all of the reverse lend-lease that we have gotten has come from the British Commonwealth; is that correct?

Mr. Cox. That is right.

Mr. RICHARDS. We have not gotten anything from Russia for the obvious reason that they did not have it, or we did not need what they had, or they could not get what they had to us; is that not right?

Mr. Cox. That is right.

Mr. RICHARDS. Now, what are your figures on reverse lend-lease from the British Commonwealth?

Mr. Cox. Those are in excess of a billion and a half up to September 30, 1943.

Mr. RICHARDS. Well, that leaves practically nothing from the other nations.

Mr. Cox. Well, the estimate is on a yearly basis, the French Committee will supply something like \$30,000,000, and the Russians have supplied some small amount in terms of ship stores, repairs in ports; and there has been some from the Belgian Congo and the Dutch have supplied some small amount, but they are relatively small compared to the reverse lend-lease from the British Commonwealth of Nations.

Mr. RICHARDS. Have you had full cooperation in the things that you have asked for from reverse lend-lease, from the British Commonwealth of Nations?

Mr. CROWLEY. We certainly have.

Mr. RICHARDS. Now, one of the big items you have in reverse lend-lease from the British Commonwealth of Nations, is services.

Mr. Cox. That is right.

Mr. RICHARDS. Now, what is the biggest item of those services that you are talking about? They are not itemized.

Mr. Cox. I cannot tell you offhand although in the President's twelfth report to the Congress the character of the reverse lend-lease aid was discussed in detail; I mean I just do not know exactly by dollar amount, or otherwise what the biggest single item is, but I know included in that are things like transportation. For example, United States forces can move in England on trains and attend to their official duties without payment or charge.

There are ships, telephones, and other services, but I do not know what the biggest item is.

Mr. RICHARDS. Take the item of transportation, which I understand is a pretty big item credited to reverse lend-lease, do we charge

transportation in our lend-lease aid to the British Commonwealth, for instance?

Mr. Cox. Oh, yes.

Mr. RICHARDS. We charge in the same way that they charge it?

Mr. Cox. That is right.

Mr. RICHARDS. With a lot of our troops and installations in the Pacific area, around Australia and New Zealand, do they charge us for the use of any of the ports there?

Mr. Cox. Not as I understand it.

Mr. RICHARDS. They do not?

Mr. Cox. No, sir.

Mr. RICHARDS. Do they charge us for the use of any of the airfields?

Mr. Cox. No, sir; although the cost of building facilities for our use would be included in reverse lend-lease aid just as the cost of facilities in the United States are charged under direct lend-lease.

Mr. RICHARDS. They do not?

Mr. Cox. No, sir.

Mr. RICHARDS. Well, your figures show that a large part of these supplies are needed to feed our armies in Australia and New Zealand—they are provided by reverse lend-lease?

Mr. Cox. That is right.

Mr. RICHARDS. You think they are doing everything they can?

Mr. Cox. Yes; as I understand the situation.

Mr. RICHARDS. That is all I want to ask.

Chairman BLOOM. Mr. Stearns?

Mr. STEARNS. Mr. Crowley, as I understand it, the procedure is that our various allies make requisition, or whatever you term it, make application for supplies and those things are then considered by the Military Board, and if necessary, by the W. P. B., the Food Administration, and so on.

Mr. CROWLEY. That is correct.

Mr. STEARNS. How often do we have to modify such demands?

Mr. CROWLEY. What do you mean? Do you mean as to how much we have to reduce them?

Mr. STEARNS. Yes, sir.

Mr. CROWLEY. I think, of course, that our shipments have always been below the amount requested, because we did not have the equipment available and on account of shipping for our own military, or something like that. But it almost always has been below the request and need of our allies.

Mr. STEARNS. So there is a real review of request in all cases.

Mr. CROWLEY. That is correct.

Mr. STEARNS. I am very glad of the implication that as much information as possible is going to be put before all Members of the Congress. I think that is very desirable and I am glad that is going to be done.

Thank you.

Chairman BLOOM. Mr. Jarman?

Mr. JARMAN. Mr. Crowley, a year ago when we were extending lend-lease there was very widespread interest on the part of members of the committee, as well as the Lend-Lease Administration, in getting more goods to China.

Of course, we all understood—and I think we mentioned it in our report to the Congress—the reason why that desire and determination had not materialized theretofore.

Consequently, I am delighted—as I am sure the committee and the country will be, to observe from your statement that the flow of goods into China has greatly increased. That is an accomplishment of which I think your Administration and all concerned should be very proud, because it means so much.

Mr. CROWLEY. Thank you, sir.

Mr. JARMAN. I have felt, in view of the matters which you have mentioned in reply to Mr. Richards and others, that is, the fact that we probably would not be in Italy now, and Russia certainly would not be as far advanced with its offensive against Germany, and so forth, without lend-lease, that perhaps the expenditures for lend-lease have saved more lives, American lives, particularly, than any other like amount of money that we could expend in the war effort.

Do you think that is a fair statement?

Mr. CROWLEY. I think that is a reasonable inference.

Mr. JARMAN. I believe that is true, and I just wanted to get your reaction to it.

I have a question or two of Mr. Cox, please.

Chairman BLOOM. The Chair would like to make a statement, if you do not mind, Mr. Jarman, please.

Mr. JARMAN. Sure.

Chairman BLOOM. Mr. Stettinius, the Under Secretary of State, is here. He has a very important conference at 12 o'clock, and has a statement here that he has already given out, and if we could hear from Mr. Stettinius for a few moments and then resume with Mr. Crowley, would that be agreeable?

Mr. JARMAN. I suggest we do that.

Chairman BLOOM. All right; gentlemen, Mr. Stettinius, the Under Secretary of State.

#### STATEMENT OF THE HONORABLE E. R. STETTINIUS, JR., UNDER SECRETARY OF STATE

Chairman BLOOM. Now, Mr. Stettinius, you know you are among friends.

Mr. STETTINIUS. Mr. Chairman and ladies and gentlemen, it is a great pleasure to be back with you again. I think I look upon the weeks that I spent with you about a year ago as one of the most pleasant jobs of my Government service.

Your distinguished chairman phoned yesterday and asked me if I would be available to come up. And I told him, of course, that I would be delighted to do anything that I possibly could in connection with the extension of lend-lease, and give the committee any information that I might have available.

I collected my thoughts last night and have prepared a very brief statement of just three and a half pages here that I think, in an over-all way, will present the big argument in favor of lend-lease, as I say, in vitamin capsule form, to save your time.

Mr. Chairman, I go back to a little over a year ago when the distinguished gentleman on your left, asked a very rattled, nervous young



man at the end of the table, why he was only asking for 1 year's extension and not for 2. I think maybe Dr. Eaton showed a little more wisdom at that moment than we realized.

Mr. EATON. We agreed to help.

Mr. STETTINIUS. Is it your pleasure that I read the statement?

Chairman BLOOM. Whatever you do meets with my approval, sir.

Mr. EATON. Yes, sir; and mine, too.

Mr. STETTINIUS. Lend-lease is a major weapon in our arsenal for victory. We need lend-lease to fight this war through to victory in closest concert with our allies. Almost 3 years of use on battlefronts all over the world have proved lend-lease to be a good weapon, one which enables us to pool the resources of the United Nations so that we can strike the hardest possible blows against the enemy.

The inspiring teamwork of the United Nations supply organization has been developed around the lend-lease and reverse lend-lease program. Gentlemen, in my opinion, any change now would disturb the far-flung system on whose smooth and continuous functioning we depend for victory.

A year ago the Congress extensively reviewed the results achieved under the Lend-Lease Act, and renewed the act without amendment. It is even more important that the same action should be taken at this crucial stage of the war.

Other witnesses will discuss with you the way in which lend-lease has become an integral part of the process of war production and supply.

I should like to emphasize what seems to me to be the first principle guiding all our thought and action: The war is not over—not even almost over. Lend-lease is a powerful weapon which we must maintain and strengthen, in this war of 34 United Nations against aggression. The great battles of western Europe and of Asia have yet to be fought.

During the last year, as the President has said, British and American forces have been aggressively deployed. We have taken up our positions—in the Mediterranean and in the British Isles, in India and in far places of the Pacific. This year will mark the start of our greatest offensives.

When the war will end is something no one can tell. The rule of battle is uncertainty. Our duty as civilian officers of the Government is to work, think, and plan for war until the shooting actually stops.

We must keep the war constantly in true perspective. This gigantic struggle rests on the combination of the United Nations. We have every reason to be proud of our allies, and of our association with them. We can be grateful to them as partners in a struggle which demands all the faith all of us can summon. We and our allies will approach and solve the complex problems we share with mutual trust and understanding. Failure to maintain our friendship now would lose a world of peace and freedom.

Lend-lease is one of the crucial links between us and the other United Nations—as important a link as the pooling of our fighting forces in combined offensives and the pooling of our best military leadership in combined commands.

Lend-lease and reverse lend-lease give to our war effort the flexibility of supply we must have in fighting a war of many fronts.

Victory is certain so long as we remain united. The enemy's chief hope is to divide us from our British, Soviet, and Chinese allies. His propaganda machine is trying to persuade each of the United Nations that it is doing more than its proper share in the war.

At this moment, when we are poised for our greatest offensives, he has redoubled his propaganda attack. He tells the British that we are trying to capture their foreign trade through lend-lease, and he tells the Soviets that we are plotting a separate peace. We will not encourage the enemy, nor dishearten our friends, by weakening the lend-lease system on which war supply depends.

Our enemy has not succeeded and will not succeed in dividing us. The alliance of the United Nations is well founded and will endure. Our combined offensives all over the world prove that we can and will continue to pool our men and materials in battle. The success of the Moscow and Tehran conferences demonstrates that the United Nations can and will reach agreement on the problems we face in the war and in the peace to come.

The United Nations have combined forces to a greater and more effective extent than any other alliance in history. In this process of combination, lend-lease is essential. We need the Lend-Lease Act as it stands today in fighting the war and in helping to prepare a peace that will endure.

We in the United States, fortunate enough to be out of the range of bombs and shells, should never forget that the war has not been won. So long as the war continues, so long must the flow of supplies to the war fronts be maintained. This cannot be done without the lend-lease mutual war aid program. It is indispensable to the most effective possible prosecution of the war.

The foundation of the peace must be built as we fight. That foundation is faith and confidence among nations of good will. What we have achieved and what we can achieve is based on the spirit of our relationship. That spirit must continue to assure final victory and a secure peace.

Chairman BLOOM. The Secretary says he would be very glad to answer any questions.

I want to compliment you, Mr. Secretary. You certainly are up to standard.

Mr. Johnson, any questions?

Mr. JOHNSON. Mr. Chairman, the statement of the Under Secretary answers any questions that I might ask, in better language than I could ask questions, so I simply join with the chairman in thanking you very much, Mr. Under Secretary, for appearing here this morning. And I am glad to see that he has not backslidden on lend-lease since a year ago.

Chairman BLOOM. By the way, do you still think you ought to have 2 years instead of 1 year?

Mr. STETTINIUS. Extension?

Chairman BLOOM. Yes.

Mr. STETTINIUS. I defer to Dr. Eaton's wisdom, Mr. Chairman.

Chairman BLOOM. Then we will call on Dr. Eaton.

Mr. EATON. As usual, I am fascinated and delighted by the statement of our distinguished Under Secretary. No matter what title he has attached to him, he remains tops always.



I hope to realize on that a little later.

One thing that seems to me essential is that we must find some way of establishing firmly, not only in our own minds but in the minds of our own people, that we are not contributing, making gifts to our allies.

What we are doing is saving our own freedom and our own safety as a nation.

I have often pondered just what would be the situation if the Russians had been left without assistance and at this moment the Germans were in control of that territory.

What would happen to us?

We forget occasionally the objective of the Axis Powers, namely, to conquer the world, including the United States of America.

The millions of Russian men and civilians who have perished under the heel of the invader have been fighting for America just as truly as they have been fighting for Russia, although probably that was not in their minds.

That seems to me the broad basis upon which we can appeal for an extension of this program.

Personally, I think it is absolutely essential that it be extended, and I only wish that my suggestion had been accepted a year ago.

I am frankly willing to have this question brought up as an educational matter every year, but owing to the major unpleasantness of a political campaign, of course, the Under Secretary would not be interested in that in any particular, but some of us are—I felt it would be pretty close to a calamity to beloud this great issue by questions of partisan conflict, and I hope it will not be.

So far as I am concerned, I am for the extension of this thing, even though some of my dear colleagues will then announce that I have sold out to the New Deal.

But I do not care anything about what I have sold out to. I have sold out to America and to the salvation of human freedom, and I think this is an instrument for accomplishing that purpose, and I am for it, no matter what names pass, pro and con, in the process.

Chairman BLOOM. Judge Kee?

Mr. KEE. I have no questions, Mr. Chairman. I think the statement of Mr. Stettinius is very fine and splendidly supplemented by the wisdom on the other side of the table.

Chairman BLOOM. Mrs. Rogers?

Mrs. ROGERS. Mr. Under Secretary, your book on lend-lease is one of the most interesting I have ever read. There is no doubt but what lend-lease will be continued. I feel no one in the Foreign Affairs Committee will vote against it at this time.

My feeling is that we ought to be very careful in beginning shipments under U. N. R. R. A. before the war is absolutely won. I have gone into the matter of the shipping space quite a good deal, and I believe that I am not alone in having some fears that U. N. R. R. A. supplies may take the space and boats that are needed for the actual running of the war, and I believe things should go farther in winning the war before doing so.

I am very glad you are Under Secretary of State.

Mr. EATON. Will the lady yield?

Mrs. ROGERS. I will be glad to. I do not know what the question is going to be, but I will take it.

Mr. EATON. I think, under the circumstances, the Under Secretary ought to find out whether we have solved the oil and gas problem.

Mrs. ROGERS. I think so, too.

Chairman BLOOM. Mr. Richards?

Mr. RICHARDS. I just want to say that I, too, am glad that Mr. Stettinius could come up here again, and also glad to find out that his association with the State Department has not robbed him of the common touch.

Chairman BLOOM. Mr. Chipfield?

Mr. CHIPERFIELD. Mr. Stettinius, I want to congratulate you on this very, very excellent statement. I think it is fine and much to the point.

I believe when you were here about a year ago, in answer to some questions which were propounded to you, that you stated, in substance: The primary purpose of lend-lease is to win the war.

Do you still share that view?

Mr. STETTINIUS. I do, Mr. Chipfield.

Mr. CHIPERFIELD. You do not consider lend-lease as a vehicle to control the terms of a peace, do you?

Mr. STETTINIUS. I do not, sir.

Mr. CHIPERFIELD. Thank you very much. I am glad for your statement.

Mr. STETTINIUS. Thank you.

Chairman BLOOM. Mr. Jarman?

Mr. JARMAN. Mr. Secretary, we are delighted to have you back with us. Undoubtedly the excellent job you did as Administrator of Lend-Lease had much to do with your promotion of which we are mighty proud.

I believe, Dr. Eaton, last year when Mr. Stettinius was up here, you were suggesting him for President—or Vice President; which was it?

Mr. EATON. President, on the Republican ticket.

Chairman BLOOM. Shall we put that to a vote now?

Mr. EATON. I think it would be unanimous.

Mr. RICHARDS. You want that off the record?

Mr. EATON. No, sir.

Chairman BLOOM. No, sir. There is no chance of his getting it. Let it be on the record.

Mr. EATON. Especially on the Republican ticket; I want that on the record.

Mr. JOHNSON. I thought the suggestion last time was on both tickets.

Mr. EATON. That would satisfy me fine.

Mr. JARMAN. I am very fond of Dr. Eaton and therefore I generally agree with him, but despite my general agreement with his wisdom, I am not sure that it was a mistake on your part and now on Mr. Crowley's part to ask for just a year.

As I say, I hate to put my wisdom up against Dr. Eaton's, but I am not sure that that was a mistake.

We all appreciate your attitude in limiting it to a year, and that it is your desire, as stated by Mr. Crowley yesterday, to remain close to the Congress and report to us and let us check on what you are doing.

Although I agree that it might be a little unfortunate that it must be extended during an election year, yet, after all, I do not know whether it was a mistake or not.

I do not vision any terrible fight over it. It will be passed well-nigh unanimously, and I do not think a whole lot of politics is going to enter into it.

Mr. EATON. Will the gentleman yield?

Mr. JARMAN. I will be glad to.

Mr. EATON. My object was, I thought it would be better to skip consideration this year and have it considered under a Republican administration.

Mr. JARMAN. Well, despite my great admiration for the ranking Republican member, which causes me to so frequently agree with him, I am not sure that I can agree in this instance. I do not know whether I agree with that or not.

Chairman BLOOM. The chairman will rule that out of order.

Mr. JARMAN. Thank you very much.

Chairman BLOOM. Mr. Stearns?

Mr. STEARNS. I am not going to take the time of the Under Secretary to pass any more compliments. I know that we all feel the wisdom with which he laid down the rules of lend-lease in its early days which had a great deal to do with its success, and the committee is very glad to see that the matter is so well carried on by his distinguished successor.

Mrs. ROGERS. Amen.

Chairman BLOOM. Mr. Burgin?

Mr. BURGIN. I have no questions to ask the distinguished witness, Mr. Chairman. I join with my colleagues, particularly Dr. Wisdom over there in what he has said.

Chairman BLOOM. Mr. Mundt?

Mr. MUNDT. Well, I want to join in the felicitations of my colleagues on the promotion and the good judgment and the continued good work of the Under Secretary.

His statement was devoted this morning entirely, as it should be, in view of his new position, to a discussion of the sentiments and the objectives, in general terms, of lend-lease, so I have no questions to dedicate to the paper at hand.

I have, as usual, some questions as to the substance, and I will ask those of Mr. Crowley, who now, at this time, is in charge of the detail.

Chairman BLOOM. You are feeling all right, are you not?

Mr. MUNDT. Yes, sir. Wait a minute; I am not quite through yet.

I might say, since I have made a notation of the matter on which I am going to violently disagree with Mr. Jarman a few minutes later, that I agree now in his statement and that I am happy that last year we extended lend-lease for 1 year instead of 2 years, and I am happy that we are this year again going to extend it, and for 1 year instead of 2 years.

I think it is the responsibility of this committee to review and analyze and digest, as much as we can, the operations of lend-lease on an annual basis as long as this institution is necessary. I am not at all disturbed about the fact that we are now doing it in an election year. If that is in error, then democracy is wrong.



I think it is logical and right and correct that our colleagues and the country at large have an opportunity in election year to analyze the facts and figures of big government. And this is a part of big government. I have enough faith in democracy and in the Congress and the country to believe that they will discuss and consider this matter dispassionately and devoid of politics, and I am pleased that we have the opportunity to do it in an election year.

Mr. STETTINIUS. Mr. Chairman, I would like to remark that probably the proudest thing we did in connection with our lend-lease operation when I was in charge—and I know that Mr. Crowley is likewise proud of the policy that he is carrying forward now—was that of keeping Congress fully, at all times, informed of our operations, and I have no doubt but that this is a highly constructive thing for you and for us to have it jointly reviewed at this time.

Mr. MUNDT. Thank you.

Mrs. ROGERS. Will the gentlemen yield?

Mr. MUNDT. I yield to Mrs. Rogers.

Mrs. ROGERS. I think it would be helpful if we could have a list of the proposed products to be sent abroad.

Chairman BLOOM. The chairman would like to suggest that we would like to give every member of the committee a chance to express his opinion. Mr. Cox, will you please supply the committee with the information Mrs. Rogers requests.

(The information requested is as follows:)

#### TYPES OF ITEMS EXPORTED UNDER LEND-LEASE

Nations engaged in waging modern warfare require hundreds of thousands of items for the prosecution of the war. A list of all of these items would be so detailed and lengthy that it would be extremely difficult to obtain from them a clear picture of the general type of items furnished under lend-lease. In addition, some items could not be disclosed for reasons of military security.

All goods lend-leased are grouped into 10 major categories in the following tabulation. Representative items are shown in each group to indicate the type of goods we lend-lease. In many cases each item represents a great variety of kinds. For instance, there are hundreds of different kinds of drugs and medical supplies.

##### 1. Ordnance and ammunition:

Mortars.  
Howitzers.  
Submachine guns.  
Rocket launchers.  
Aircraft guns.  
Antiaircraft guns.  
Antitank guns.  
Flame throwers.  
Naval guns.  
Infantry weapons.  
Revolvers.  
Pistols.  
Explosives.  
Shells.  
Shot.  
Tracer bullets.  
Fuses.  
Hand grenades.  
Bombs.  
Torpedoes.

##### 2. Aircraft and parts:

Heavy bombers.  
Medium bombers.  
Light bombers.  
Pursuit planes.  
Cargo planes.  
Observation planes.  
Trainers.  
Engines.  
Propellers.  
Radio equipment.  
Navigating equipment.  
Other parts and equipment.

##### 3. Tanks and other motor vehicles and parts:

Medium tanks.  
Light tanks.  
Tank destroyers.  
Tank transporters.  
Cargo carriers.  
Weapon carriers.

3. Tanks and other motor vehicles and parts—Continued.
  - Armored scout cars.
  - Jeps.
  - Amphibian carriers.
  - Personnel carriers.
  - Military tractors.
  - Motorcycles.
  - Tank engines.
  - Tank parts.
  - Motor-vehicle engines.
  - Motor-vehicle parts.
4. Watercraft and parts:
  - Naval vessels.
  - Cargo vessels.
  - Landing boats.
  - Motor torpedo boats.
  - Tankers.
  - Marine Diesel engines.
  - Marine gasoline engines.
  - Outboard motors.
  - Crash boats.
  - Submarine storage batteries.
  - Generators.
  - Electric motors.
  - Water pumps.
  - Air compressors.
  - Diving salvage stations.
  - Steam boilers.
  - Air tanks.
  - Towing winches.
  - Navigating instruments.
  - Submarine rescue chambers.
  - Motor windlasses.
  - Torpedo equipment.
  - Ship radio equipment.
  - Naval equipment.
5. Machinery:
  - Machine tools.
  - Bearings.
  - Dies.
  - Drills.
  - Electric furnaces.
  - Rolling-mill equipment.
  - Fuses.
  - Presses.
  - Excavating equipment.
  - Cranes.
  - Compressors.
  - Industrial fans.
  - Blowers.
  - Pumps.
  - Mining equipment.
  - Tire machinery.
  - Refrigeration equipment.
  - Photographic equipment.
  - Farm machinery.
  - Blast-furnace equipment.
  - Welding equipment.
  - Valves and fittings.
  - Pneumatic tools.
  - Industrial boilers.
  - Railroad equipment.
  - Railroad locomotives.
  - Railroad cars.
  - Engines and turbines.
  - Electric motors.
5. Machinery—Continued.
  - Electric distribution equipment.
  - Food-products machinery.
  - Textile machinery.
  - Printing machinery.
  - Woodworking machinery.
  - Office machines.
  - Professional instruments.
6. Metals:
  - Iron and steel.
  - Armor plate.
  - Tool steel.
  - Tin plate.
  - Wire.
  - Bolts, nuts, and rivets.
  - Rails and accessories.
  - Car wheels and axles.
  - Chains and anchors.
  - Aluminum ingots.
  - Fabricated aluminum.
  - Lead.
  - Babbitt metal.
  - Ferrosilicon.
  - Ferrotungsten.
  - Ferromolybdenum.
  - Nickel.
  - Monel metal.
  - Molybdenum.
  - Copper.
  - Copper cable.
  - Copper wire.
  - Brass and bronze.
  - Magnesium.
  - Zinc.
  - Nonferrous wire.
  - Mercury.
  - Manganese.
  - Tin.
  - Cadmium.
  - Ferrovandium.
7. Petroleum products:
  - Aviation gasoline.
  - Other gasoline.
  - Kerosene.
  - Fuel oil.
  - Lubricating oils and grease.
  - Petrolatum.
  - Petroleum jelly.
  - Paraffin wax.
8. Miscellaneous materials and manu-  
factures:
  - Drugs.
  - Medical supplies.
  - Chemicals.
  - Textiles.
  - Clothing.
  - Rope.
  - Army boots.
  - Webbing.
  - Fertilizers.
  - Insecticides.
  - Rubber.
  - Tires.
  - Paper.
  - Leather.
  - Ski boots.
  - Abrasives.



## 9. Foodstuffs:

Wheat.  
 Other grains.  
 Flour.  
 Cereals.  
 Dried beans and peas.  
 Other dried vegetables.  
 Dried eggs.  
 Dried milk.  
 Condensed and evaporated milk.  
 Canned fruits and juices.  
 Fresh fruits.  
 Dried fruits.  
 Butter.  
 Oleomargarine.  
 Lard.  
 Other fats and oils.  
 Cheese.  
 Dehydrated vegetables.  
 Canned vegetables.  
 Fresh vegetables.

## 9. Foodstuffs—Continued.

Dried soups.  
 Cured meat.  
 Canned meat.  
 Dehydrated meat.  
 Frozen meat.  
 Sugar.  
 Salt.  
 Coffee.  
 Tea.  
 Yeast.  
 Vitamins.  
 Concentrated cereals.

## 10. Agricultural products other than foodstuffs:

Cotton.  
 Cotton linters.  
 Tobacco.  
 Tobacco products.  
 Lumber.  
 Seeds.

Chairman BLOOM. Mr. Gordon.

Mr. GORDON. Mr. Chairman, I also want to join with my colleagues and congratulate Mr. Stettinius upon the fine statement that he has rendered today, urging for the continuance of lend-lease. I am happy to see him here amongst us again.

Mr. STETTINIUS. Thank you, sir.

Mr. GORDON. That is all. I have no questions.

Chairman BLOOM. Mr. Jonkman?

Mr. JONKMAN. [Mr. Chairman, I have no questions. I want to join with my colleagues in the statements they made about this excellent report and the fine things that Mr. Stettinius has done. I think they have said about half of it.

Thank you very much.

Chairman BLOOM. Mr. McMurray?

Mr. McMURRAY. Mr. Chairman. Mr. Stettinius, I sit so far down the table that by the time I am reached all the pretty speeches, both personal and political, have been made.

I just want to make one observation. I was in favor of the extension last year for a 2-year period, but not for the same reason that the distinguished gentleman from New Jersey had. I think that in order to accomplish his purpose, it would have taken 5 or 6 years, and that is too long.

That is too long to extend the act waiting for a change of administration.

Chairman BLOOM. Mr. Stettinius thanks you very much.

Mr. STETTINIUS. Thank you, sir.

Chairman BLOOM. Mr. Wadsworth.

Mr. WADSWORTH. On a less public occasion, I have told the Under Secretary what I thought of him, which I would be perfectly willing to repeat now.

Chairman BLOOM. Please say it for the record.

Mr. WADSWORTH. No; I am like all of the other members here; I am very grateful for his presence.

Chairman BLOOM. Mr. Rogers.

Mr. ROGERS. I, too.

Chairman BLOOM. Mr. Schiffler.

Mr. SCHIFFLER. Mr. Chairman, I have nothing to add to what has already been said. I think the general objectives of lend-lease have been very clearly expressed by Mr. Stettinius and carried out. I appreciate him coming here this morning and congratulate him upon his administration of lend-lease and also the very capable manner in which he has functioned as Under Secretary.

Chairman BLOOM. Mr. Fulbright.

Mr. FULBRIGHT. I would like to add my congratulations to the report and the statement of the Under Secretary.

I would like to observe a little further that the statement on page 5, of the last paragraph, is a very excellent one.

Mr. Chipfield's questions seemed to be designed to disassociate lend-lease altogether from the peace.

I would like to have the Secretary's view along this line, that it is an integral part and that the smooth functioning of this will play a very important part in the negotiations or settlement of this peace.

Mr. STETTINIUS. It is a very important part.

Mr. FULBRIGHT. To say that it in any way controls the peace leaves a somewhat faulty impression.

Mr. STETTINIUS. I gather Mr. Chipfield was implying, Mr. Fulbright, the possibility of lend-lease continuing in operation into the post-war period and he was asking me if I agreed with that. And I said, "No."

Mr. CHIPFIELD. That is correct. Undoubtedly lend-lease will have its effect in making friendships among our allies.

Mr. STETTINIUS. Oh, yes.

Mr. CHIPFIELD. I was not talking on that point.

Mr. STETTINIUS. And the intelligence with which we proceed.

Mr. FULBRIGHT. That is what I mean, the intelligence and the cooperation and the administration of lend-lease will probably be one of the principal factors, if we do make an intelligent peace, and therefore the contention that while it is primarily designed for the prosecution of the war, it also has a great significance in the making of the peace, would you not say?

Mr. STETTINIUS. A very important influence.

Mr. FULBRIGHT. And that we cannot discount that at all in considering whether or not it should be extended.

Mr. CHIPFIELD. Will the gentleman yield?

Mr. FULBRIGHT. Yes.

Mr. CHIPFIELD. I agree with your point of course.

Mr. FULBRIGHT. I would say also the final accounting, about which there is considerable misapprehension, perhaps that should be cleared up before it is through, in order to lay the basis for a sensible peace.

Mr. STETTINIUS. I agree with that, Mr. Fulbright.

Mr. FULBRIGHT. I would like to reiterate that that last statement is really the essence of justification for this, in my opinion.

That is all.

Chairman BLOOM. Mr. Mansfield.

Mr. MANSFIELD. Mr. Chairman and Mr. Secretary: All I can say is that we are damn glad you thought enough of us to come up and see us.

Mr. STETTINIUS. I hope you invite me again.

Mr. MANSFIELD. I hope so, too; many times.

Chairman BLOOM. Mr. Wright.

Mr. WRIGHT. Mr. Chairman, I think everybody has had confidence in Mr. Stettinius' administration of lend-lease and has confidence in him in his present capacity. I think that it is a rather outstanding example of appointing the right man to the right job.

Chairman BLOOM. Any further remarks?

Well, Mr. Secretary, it has been a great pleasure to have you here, sir, and now the applause will come.

The committee will resume hearing from Mr. Crowley. I think Mr. Jarman had asked a question.

**STATEMENT OF OSCAR COX, GENERAL COUNSEL, FOREIGN ECONOMIC ADMINISTRATION AND LEO T. CROWLEY, ADMINISTRATOR, FOREIGN ECONOMIC ADMINISTRATION—Continued**

Mr. JARMAN. As I understood your replies to Dr. Eaton, about the South American lend-lease, it had to do with munitions and military matters.

Mr. Cox. That is correct.

Mr. JARMAN. No food, I mean.

Mr. Cox. An insignificant amount which was sent in connection with military installations and installations making military goods.

Mr. CHIPERFIELD. Will the gentleman yield at that point?

Mr. JARMAN. How about railroads?

Mr. Cox. So far as I know, no railroad equipment has been supplied under lend-lease except in relation to ordnance, arsenals, and material for war production.

Mr. CHIPERFIELD. No material for getting out rubber, or anything of that sort?

Mr. Cox. Not under lend-lease; no, sir.

Mr. JARMAN. I am not sure that I recall the approximate amount.

Mr. Cox. Approximately \$127,000,000 as of December 31.

Mr. JARMAN. Out of approximately \$20,000,000,000?

Mr. Cox. That is right.

Mr. JARMAN. Now, Mr. Richards was inquiring of you or discussing the amount of reverse lend-lease, and I believe you said that practically all of the one and one-half billion dollars, or approximately one and one-half billion dollars reverse lend-lease came from the United Kingdom.

Mr. Cox. No; from the British Commonwealth of Nations; the United Kingdom, New Zealand, Australia, and so forth.

Mr. JARMAN. The British Commonwealth?

Mr. Cox. That is right.

Mr. JARMAN. Do you have on your fingertips the approximate amount of lend-lease that we have sent to the British Commonwealth?

Mr. Cox. I can give you the figures separately for the constituent parts. I think the United Kingdom is just over \$6,500,000,000 in exports up to January 1, 1944 and Australia about \$650,000,000. I think I can give you the specific ones for the record.<sup>1</sup>

Mr. JARMAN. Yes; I just want an idea of the comparison between those.

Mr. Cox. I can give you specific figures, although I don't think the figures are at all comparable. They appear in a statement in your binder.

<sup>1</sup> See Appendixes A and C.



Mr. JARMAN. Also, in reply to Mr. Richards, you said there was no charge made, I believe you said, in Australia or some of those British countries down there, for the use of airfields. I judge that you mean by that no actual monetary charge.

This is in that one and one-half billion, is it not?

Mr. Cox. Well, the sterling or foreign currency expenditure for building the airports is included in that one and one-half billion, but no decision has as yet been reached as to how those airfields or other services will be valued, any more than there has been any valuation and determination with respect to a factory we have built with lend-lease funds which may have a 20-year life, to produce munitions which are shipped abroad. In other words, we have the question whether you use the capital value or the use value.

These figures include cost and expenditure; not any valuation.

Mr. JARMAN. For the construction of the field?

Mr. Cox. That is right.

Mr. JARMAN. So far as the use of it, so far there is no charge?

Mr. Cox. No charge.

Mr. JARMAN. Even in this billion and a half?

Mr. Cox. No.

Mr. CHIPERFIELD. Will the gentleman yield to me at that point?

Mr. JARMAN. Certainly.

Mr. CHIPERFIELD. I understand in various parts of the world, lend-lease money has been used to build airfields, and I am wondering if our pilots who have flown planes over to some of these fields are charged for transportation on their return by B. O. A. C. and then charged up to lend-lease.

Mr. Cox. No. There is an arrangement under which they get free transport.

Mr. CHIPERFIELD. Thank, you.

Mr. JONKMAN. Will the gentleman yield?

Mr. JARMAN. Yes.

Mr. JONKMAN. On page 3 of Mr. Crowley's statement there is language to the effect that our planes fly from hugh air bases built, equipped, and serviced by the British at a cost of many millions of dollars.

Is it not true that many of those fields were built out of lend-lease money?

Mr. Cox. Not at all.

Mr. JONKMAN. Not at all?

Mr. Cox. Those fields were built with British manpower and most of the expenditures were made by the United Kingdom.

Mr. JONKMAN. The reason I asked was because in the report of a year ago, Major Spiegelberger I think was his name, said that much of that lend-lease that we got, I think, was in the nature of tonnage, and it looked to me more like tonnage for airfields, and that would confirm your statement.

Mr. Cox. Yes; but I think what you have in mind is that lacking dollar figures of reverse lend-lease aid, he was attempting to give an idea of its dimensions by tonnage figures.

Mr. JONKMAN. But other than on the airfield, that lend-lease had not been used for that purpose.



Mr. Cox. No. A year ago there was a statement about two bases where most of the supplies were furnished under lend-lease, built beginning in April 1941, but those are naval bases used mostly in the convoy routes.

There has been some space there for seaplane bases, and I think Mr. Stettinius told you off the record where those bases were.

Mr. JONKMAN. That is all.

Mrs. ROGERS. Has any money been used for the building of pipe lines—lend-lease money?

Mr. CROWLEY. Not that I know of.

Mrs. ROGERS. Do you contemplate using any lend-lease money on pipe lines through Arabia?

Mr. CROWLEY. No.

Mrs. ROGERS. That will be built by private funds, probably. I think, Mr. Crowley, it would be very helpful if you could send us a list of the products you propose to send under lend-lease. I think the criticism has come because some of the products, as I said, were almost laughable, and yet they were taking up the space in ships.

Mr. CROWLEY. A statement of the list of products sent out under lend-lease will be put into the record. You will, I am sure, find that all of the items are vital for the prosecution of the war. (See pp. 37-39.)

Chairman BLOOM. Mr. Johnson, do you have anything further?

Mr. JOHNSON. No, sir.

Chairman BLOOM. Mr. Stearns, do you have any questions of Mr. Crowley?

Mr. STEARNS. No, sir.

Chairman BLOOM. Mr. Burgin?

Mr. BURGIN. Mr. Crowley, one other question about South American lend-lease. What countries have we furnished lend-lease to in South America, if that is permissible to put in the record?

Mr. Cox. The major proportion has gone to Brazil. And as Dr. Eaton has indicated, it has been used primarily in submarine work, coastal defense work, and also the airfield flights for our forces going into the Mediterranean and north Africa, which go through Brazil, as you well know.

The other countries, all except the Argentine and Panama, of the 20 South and Central American republics, have received lend-lease aid, but more than two thirds has gone to Brazil of the total of about \$127,000,000.

Mr. BURGIN. I saw in the papers that none has gone to Argentine.

Mr. Cox. That is right.

Mr. JONKMAN. May I ask a question at that point?

Is your lend-lease distinct from loans that we may have made to South American republics?

Mr. Cox. Yes, sir.

Mr. JONKMAN. There are other loans in addition to lend-lease?

Mr. Cox. Yes, sir.

Chairman BLOOM. Had you finished?

Mr. JONKMAN. Yes, sir; I am through.

Mr. BURGIN. I believe it was stated here a year ago that lend-lease money had gone into building airports. There were others, however, that said that some had gone into building airports in the Pacific, but afterward that was corrected by Mr. Stettinius. That

is true, is it not? Lend-lease has gone into building airports in the war zones in the Pacific operations?

Mr. COX. Well, some supplies have gone into the building of airports in the Pacific. The only airports that I know of that were constructed in the main with lend-lease funds in cooperation with the Army were the ones in the fall of 1941, through Africa.

Mr. BURGIN. Well, that was for military operations.

Mr. COX. Yes.

Mr. BURGIN. Are there any airports that have been developed for military operation that could possibly be used in civilian operation after the war?

Mr. CROWLEY. I would say that would be possible, but I think you ought to ask the military or the State Department that question Congressman.

Mr. BURGIN. That is all, Mr. Chairman.

Chairman BLOOM. I believe Mr. Mundt is next.

Mr. MUNDT. Mr. Crowley, I want to start in questioning just where I did a year ago, and that is on the subject of farm machinery.

I do not presume that you have the figures here today, but if you have, so much the better.

Mr. COX. We have them here.

Mr. MUNDT. I would like to have you put them in the record at this point and, first of all, read if you have them, a break-down of farm machinery which was exported from this country under lend-lease during this year's extension.

Mr. COX. I think we have that here.

Chairman BLOOM. The Chair has been informed it is quite a lengthy statement. We could put it in the record.

Mr. MUNDT. Can you supply me with a copy?

Mr. COX. Yes, I can.

Chairman BLOOM. We will see that you get a copy today, Mr. Mundt.

Mr. MUNDT. Fine. Do you have any break-down of the anticipated exports of farm machinery in this coming year of extension?

Mr. COX. Yes.

Mr. MUNDT. Will you supply me with a copy and put that in the record at this point?

Mr. COX. Yes, sir.

(The information requested is as follows:)

#### LEND-LEASE AND FARM MACHINERY

1. Lend-lease exports of farm machinery are dictated by military necessity, and both the amounts and the types of the farm machinery so exported are determined by what are in the last analysis military requirements.

2. It is imperative that American armed forces and the troops of our allies, wherever they may be stationed, be furnished with adequate supplies of food. It is equally important that this food be produced as near as possible to the battle-fronts of Europe and Asia. In this way valuable shipping space is saved and the demands made upon United States food supplies is considerably lessened.

3. In spite of the magnificent shipbuilding record which has been made by American productive genius, shipping facilities have been and still continue to be seriously strained. The saving in shipping space which results from exports of farm machinery is, therefore, an important consideration. Approximately

eight times more ship tonnage, for example, would be required to ship a given amount of food abroad than is required to ship the agricultural equipment which can produce that amount of food within a single year.

4. Furnishing farm machinery to our allies is an important part of the rational pooling of limited resources which has so distinguished the United Nations war effort. By lend-leasing farm machinery—of which the United States is the biggest and one of the few remaining United Nations producers—we have enabled Australia, New Zealand, and the United Kingdom to furnish as reverse lend-lease to our soldiers, millions of dollars worth of food which we would otherwise have had to have furnished out of our limited domestic supplies. In fact, Australia and New Zealand now provide under reverse lend-lease virtually all of the food consumed by the United States forces in those areas. They have, for example, supplied us, under reverse lend-lease with approximately as much beef and veal as we have lend-leased to all countries. The United Kingdom supplies us under reverse lend-lease with 20 percent of the food consumed by our troops stationed there.

5. Although lend-lease farm machinery has played an important part in supplying the needs of Allied troops, the actual shipments of farm machinery under lend-lease have been kept at the absolute minimum consistent with the demands of our joint war effort. The domestic shortages both of farm labor and of farm machinery and the importance of increased food production at home have, of course, been given paramount consideration.

6. Since March 11, 1941, the date of the enactment of the Lend-Lease Act, up to December 31, 1943, the lend-lease shipments of farm machinery amounted to less than 2 percent of all the farm machinery produced in the United States. The following tables show these lend-lease exports of agricultural equipment (excluding crawler type tractors and spares, which are used by the military) to the principal lend-lease areas from March 11, 1941, to December 31, 1943, and for the year 1943:

*Lend-Lease Exports of Agricultural Machinery*

From March 1941 to Dec. 31, 1943:

*Thousands of dollars*

United Kingdom.....	19, 536
Australia.....	4, 232
New Zealand.....	2, 672
Egypt.....	1, 358
Union of Soviet Socialist Republics.....	697
India and dependencies.....	684
British Africa.....	444
French Africa.....	1, 000
Other countries.....	2, 180
Total.....	32, 803

For the year 1943:

United Kingdom.....	8, 466
Australia.....	3, 609
New Zealand.....	2, 350
Egypt.....	590
Union of Soviet Socialist Republics.....	116
India and dependencies.....	466
British Africa.....	444
French Africa.....	1, 000
Other Countries.....	1, 941
Total.....	18, 982



7. It is estimated that lend-lease shipments of farm machinery during the first 6 months of 1944 will at the maximum under the most favorable shipping conditions, amount to no more than \$11,241,500, distributed to the following areas:

*Maximum anticipated lend-lease shipments of farm machinery between Jan. 1, 1944, and June 30, 1944*

Destination	Amount	Tons
United Kingdom.....	\$4,900,000	14,000
Australia.....	1,750,000	5,000
New Zealand.....	1,680,000	4,800
India.....	17,500	50
Middle East.....	612,500	1,750
Persian Gulf.....	140,000	400
Central Mediterranean.....	45,500	130
South Africa.....	600,000	1,500
Southern Rhodesia.....	145,000	375
French North Africa.....	1,351,000	2,636
Total.....	11,241,500	30,641

8. With the relatively small amount of farm machinery furnished under lend-lease, our allies have performed prodigious accomplishments in food production. The United Kingdom, for example, though a program of intensive utilization of all farm equipment, has been able to increase its food production by 70 percent over pre-war levels. This was done at a time when military strategy required that much of the most productive land in Britain be turned into air fields, and at a time when the British farm labor supply was being steadily depleted by the demands of the armed forces and war industries. Lend-lease farm machinery was, therefore, vitally needed by the United Kingdom. To meet that need we lend-leased to the United Kingdom farm machinery amounting to 1.2 percent of American production during the lend-lease period.

9. Australia and New Zealand, likewise, acutely needed farm machinery so that the United Nations could bring the greatest force to bear against the Axis enemies. Many of the Australian farm tractors, for example, were conscripted by General MacArthur shortly after Pearl Harbor for purely military purposes. In addition, almost all domestic farm machinery manufacturing capacity had been converted to strictly military production. Australian farm machinery requirements, moreover, could no longer be supplied by the United Kingdom, Belgium, and Sweden—all of whom were large pre-war exporters of farm machinery.

10. Notwithstanding these difficulties both Australia and New Zealand have, with the aid of lend-lease farm machinery, expanded their food production enormously over pre-war levels. This, in turn has made it possible for Australia and New Zealand to supply food to the large contingents of American and British Empire troops stationed in that theater of operations and to their own populations. The total amount of farm equipment lend-leased to Australia and New Zealand as of December 31, 1943, amounted, however, to less than one-half of 1 percent of the total United States production during the period from March 11, 1941, to December 31, 1943.

11. Similarly, the lend-lease farm machinery shipped to north Africa and to the Middle East is now helping those areas produce food for our armed forces and for their own populations—food which would otherwise be shipped to them. Farm machinery shipped to these latter areas, however, is being paid for in cash.

12. An item-by-item analysis of lend-lease shipments of farm machinery in a given year shows that the impact of lend-lease exports of specific items upon the domestic production of those items is in most instances relatively negligible. Farm machinery exports during the fiscal farm-machinery year ending June 30, 1944, may be used as an example. These estimates are necessarily tentative, however, since they involve predictions both as to the lend-lease exports and as to total United States production during the next few months, and since they must be based on the amount of steel allocated by the War Production Board to lend-lease farm-machinery requirements, as compared with the total steel allocation for the production of farm machinery in the United States. The following figures are for the major farm-machinery items and represent the estimated maximum impact:



*Impact of maximum anticipated lend-lease exports of farm machinery upon total United States production during fiscal year ending June 30, 1944, based on steel allocations (including cash reimbursement lend-lease shipments)*

Type of machinery	Number of units	Impact	Type of machinery	Number of units	Impact
		Percent			Percent
Grain drills.....	1,328	3.1	Plows.....	5,190	3.07
Combines.....	1,020	2.7	Grain binders.....	186	2.45
Hay balers.....	455	6.5	Potato diggers.....	572	9.2
Tractors.....	11,369	5.4	Mowers.....	2,474	2.6
Spare parts.....tons.....	9,660	(1)	Cream separators.....	8,722	17

<sup>1</sup> The United States production of spare parts is unrestricted and, therefore, no percentage figure can be obtained now.

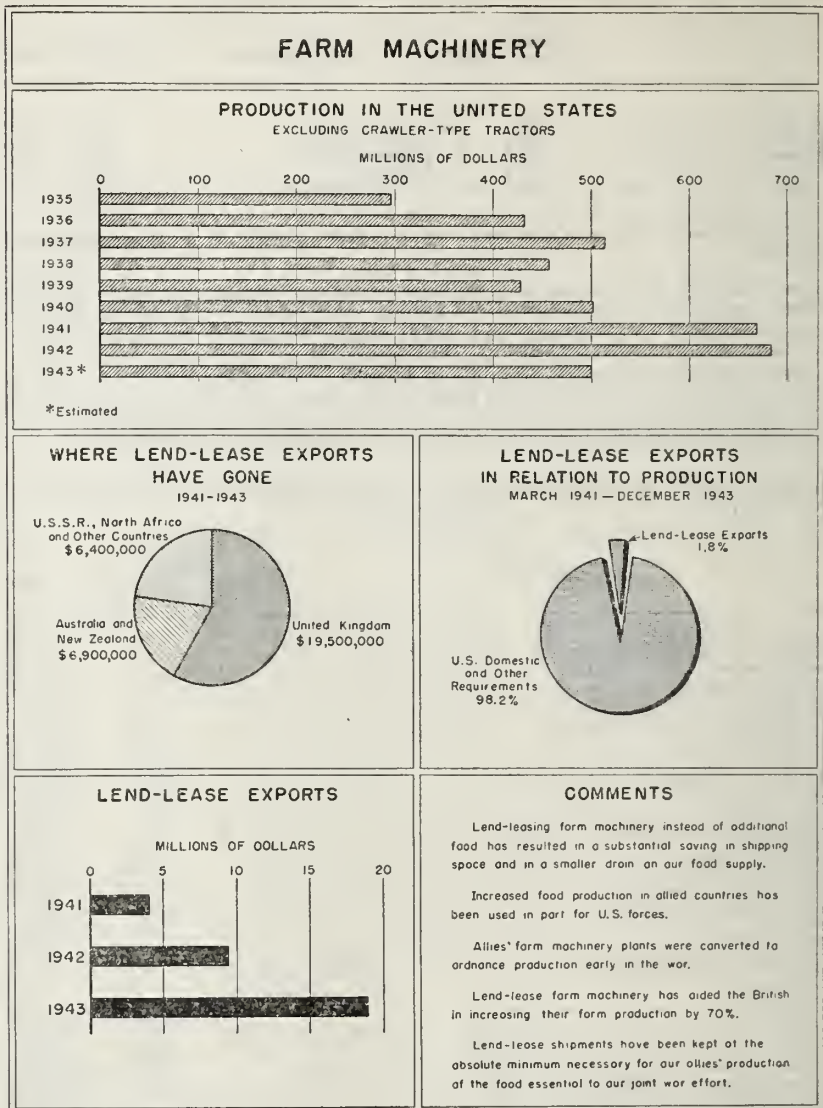
The relatively high impact of lend-lease exports of cream separators on total domestic production is accounted for almost entirely by the shipment of 6,250 cream separators to Australia and 1,800 cream separators to New Zealand. Lend-lease cream separators are a prime necessity in these areas, since vastly increased quantities of dairy products must now be produced locally in order to meet the requirements of the large numbers of American troops stationed there.

13. The following is a detailed list of all the items of lend-lease farm machinery exported to all countries between March 11, 1941, and December 31, 1943:

*Lend-lease exports of agricultural machinery to all countries, March 1941 through December 1943*

Commodity	Quantity (in number)	Dollar value
Hand and windmill pumps.....	585	24,285
Self-contained household water systems.....	234	261,403
Cream separators.....	5,604	180,049
Other dairy equipment.....		38,195
Hand sprayers for trees and crops.....	821	5,934
Power sprayers for trees and crops.....	433	109,076
Small sprayers for truck garden.....	46,360	12,560
Horse and power plows.....	14,421	1,604,297
Harrows.....	3,291	297,470
Cultivators, horse and power.....	6,001	354,620
Planters, horse and power.....	1,295	114,933
Drills and seeders.....	3,397	334,916
Other cultivating implements.....	7,188	417,985
Mowers.....	3,747	368,657
Hayrakes and tedders.....	25	1,254
Grain harvesters and binders.....	1,118	547,853
Combines or reaper-threshers.....	1,096	839,756
Other harvesting implements.....	1,701	1,218,101
Threshers.....	304	230,697
Other seed separators.....		49,006
Feed cutters, grinders, and crushers.....	313	105,784
Corn shellers (small hand shellers).....	74	2,229
Wheel tractors:		
Garden.....	4,304	2,824,399
1-plow.....	2,323	1,383,148
2-plow.....	5,568	4,010,135
3-plow.....	2,212	1,723,135
4-plow and over.....	2,502	2,975,007
Parts and accessories for tractors.....		5,710,054
Parts and accessories for wheel tractors.....		3,261,672
Windmills.....	1,569	27,620
Towers and parts for windmills.....	94	3,510
Hay balers and presses.....	650	368,452
Wagons and drays.....	78	118,739
Parts for agricultural machinery.....		844,985
Other agricultural machinery and implements.....		1,790,315
Other agricultural machinery, implements, and parts.....		642,755
Total.....		32,802,986

14. A chart showing the lend-lease exports of farm machinery in graphic form is attached.



Foreign Economic Administration

Mr. MUNDT. Is the rate of lend-lease in reverse during the past year or, rather, has it been accelerated or diminished over its previous period?

Mr. Cox. Greatly accelerated. The ones on which we give the figures in the binder show the rate of reverse lend-lease from Australia in relation to direct lend-lease and the rate from New Zealand. They are both sharply up as compared with direct lend-lease.

Mr. MUNDT. I am thinking of the over-all period.

Mr. COX. Yes.

Mr. MUNDT. The United Nations as related to the United States.

Mr. COX. That is right.

Mr. MUNDT. Has that accelerated or diminished; the over-all picture?

Mr. COX. It has accelerated. We have not got the complete figures of the United Kingdom, so I cannot answer that definitely for you. But the two that have been plotted, where the figures are definite, show that.

(See statement on reverse lend-lease aid on pp. 141-148 and appendix A, p. 224.)

Chairman BLOOM. That is up to September 30.

Mr. COX. Yes.

Chairman BLOOM. Up to September 30 they have that.

Mr. MUNDT. Now, let me show you these charts.

Chairman BLOOM. September 30, 1943.

Mr. COX. That is right.

Mr. MUNDT. I will pursue that particular part a moment later, because I have some of the figures from the Library which I want to check with that, so I will leave that for the moment and go to something else.

Mr. CROWLEY. I want to ask you a question or two about a statement which I think perhaps you made inadvertently in a reply to a question which was asked you.

You were asked several questions, and you said quite correctly you were not a military expert and did not want to answer any military questions, which I thought was wise, but they pressed the point and finally asked you if it had not been for lend-lease, is it not true that we would not have your troops in Italy today, to which you said "Yes."

Now, if you are going to insist on answering in the affirmative, I think there are quite a few questions that could be developed along that line unless you prefer to go back to your original premise that you are not a military expert and do not care to answer.

Mr. CROWLEY. I will declare myself "out" as a military expert.

Mr. GORDON. Before you declare yourself "out" Mr. Crowley, I wonder if you could tell me what lend-lease aid we have given to Poland.

Mr. CROWLEY. I don't have the information at hand, Mr. Gordon, but I'll be glad to prepare a statement for the record.

(The statement follows:)

#### LEND-LEASE AID TO POLAND

Poland was the first country to declare the existence of a state of war with Nazi Germany. After the German occupation, the Polish Government established itself in exile and dedicated the country's remaining resources and its manpower to the defeat of the enemy.

On August 28, 1941, the President declared Poland "vital to the defense of the United States" and therefore eligible for lend-lease aid. Lend-lease aid to Poland has taken many forms. The bulk of our shipments have consisted of clothing and foodstuffs to relieve, in a small measure, the sufferings of the Poles inside Nazi Europe. Pending the liberation of Europe, the United States, under lend-lease, has joined with the other United Nations in providing food packages and clothing to Polish prisoners. We supply each of the 56,000 Polish prisoners-of-war held in Axis prison camps with an 11-pound food package a month. Each prisoner also receives a suit of clothing annually. Until this program was undertaken the Nazi, distributing similar packages sent to the American and British coprisons from their homelands, made an elaborate ceremony of the distribution



in front of the Poles and told them that their allies were unwilling to contribute to their well-being and relief. The lend-lease program, administered by the American and International Red Cross, has now put a stop to that abhorrent piece of propaganda and exploitation.

In addition to clothing and foodstuffs, Poland has received under lend-lease supplies of ordnance, ammunition, tanks, military vehicles, aircraft and parts, motor transport and parts, and other military equipment for the Polish armed forces in England, Scotland, and the Middle East. The weapons of liberation in the hands of free Poles have contributed to Allied victories in north Africa, the Mediterranean, and in the bombing offensive against Hitler's Europe.

Polish squadrons fly with the United States Army Air Force and the Royal Air Force in missions over Europe. There are now more than 10,000 Polish airmen in the United Kingdom and their bombers have participated in over 600 raids on the continent and against enemy shipping.

Under lend-lease, repairs, and services to Polish naval and merchant vessels, which include degaussing, installation of guns, fittings, radio equipment, armament, and other reconditioning have enabled the unbeaten Polish Navy to aid in protecting the convoy route to Murmansk and to operate in the English Channel. They have played their full part in the war at sea. The Polish Navy has sunk 35 enemy surface vessels and 10 U-boats, as they carry on an unceasing vigil with the fleets of the other United Nations.

Five coastwise cargo vessels have been allocated to Poland under lend-lease charter; four of these vessels have already been delivered and the fifth is scheduled for delivery in the near future.

Arrangements are being made between the Polish Government in exile, the Soviet Union, and the Foreign Economic Administration whereby Polish refugees in the Union of Soviet Socialist Republics will be supplied with clothing and foodstuffs. These refugees, who escaped to the Soviet Union from Nazi-occupied Poland, are the families and relatives whose menfolk are now in the Polish armed forces fighting side by side with the Allies. The Soviet Government has indicated its willingness to cooperate in the delivery of these supplies to the Poles.

While Polish forces, joined with the armies of the United Nations, are poised for the final assault upon Hitler's fortress, the millions of the undefeated peoples in Nazi Europe wage continuous guerrilla warfare against their oppressors. Polish guerrillas in a single month in 1943 wrecked 100 locomotives, derailed 17 trains, destroyed 340 military vehicles, and killed more than 500 Germans including Wilhelm Krueger, the Polish Heydrich. The United States has undertaken under lend-lease to supply Poland with substantial amounts of radio sending and receiving equipment and parts for the operations of the Polish underground.

Mr. MUNDT. I think the record should be changed, then, at that point, for this reason: We might just as well look at this lend-lease proposition realistically. It is doing a good piece of work in the military sense and it is helping us win the war, but there is no use of our getting so far up in the stratosphere as to assume if there were no lend-lease, that we would be badly beaten in this war and divided and that we could not have schemed out any other better system, because we have fought wars before with many of these same allies and have won them, and I do not think we should put it in an all-time record that if it had not been for lend-lease alone, we would be in a very serious situation and in a state of defeat at this time.

Now, if we are going to get into that, I think we might just as well discuss it in detail, but if we are not, then let us take this lend-lease as the established policy of cooperation in this war and proceed to perfect it as best we can and make it work.

But if we are going to assume that that is the only alternative, that if it had not been for some plan such as that, that we would be in the throes of defeat, then I think we should explore it in detail.

Mr. McMURRAY. Will the gentleman yield?

Mr. MUNDT. Yes, sir.

Mr. McMURRAY. I should like to say it seems self-evident that had we not had in this great conflict the instrument of lend-lease or an



adequate substitute instrument, it would have been disastrous. I think the evidence we have had before this committee on lend-lease and all the facts of the war show that.

You must have lend-lease or an adequate substitute. No one says that lend-lease is the last word.

Chairman BLOOM. I think that is the point he is trying to make.

Mr. CROWLEY. What I meant to imply was that this was a vehicle that you decided to use. Now, whether it has rubber tires on it or not, I do not know that that makes any difference, but this is what you decided to use and what I meant was that it had worked and had aided our allies, and to change the rules in the middle of the game certainly would not help the cause any.

Mr. MUNDT. With that statement I am in agreement, that we have chosen this vehicle, and it is working, and I think it would be very unfortunate to abandon this vehicle now and try to insert a substitute at this time.

Mr. JARMAN. Will the gentleman yield?

Mr. MUNDT. Yes, sir.

Mr. JARMAN. Of course you agree, I imagine, that without lend-lease or some similar plan the United Nations would not be as far progressed toward victory as they are, do you not?

Mr. MUNDT. Yes. Without lend-lease or some adequate substitute.

Mr. JARMAN. Yes.

Mr. MUNDT. Now, my good friend, Mr. Jarman, stated that he was delighted with the statistics concerning China. Unfortunately, I am not delighted about that.

I share the same interest he has about stepping up the aid which China gets under lend-lease.

Mr. JARMAN. Will the gentleman yield for just a moment?

Mr. MUNDT. Just a moment. Instead of being delighted, however, I, at the moment, am disappointed at the showing which has been made.

Now I yield.

Mr. JARMAN. I have not read the statistics. What I said was I was delighted at Mr. Crowley's reference in his statement here to the increase. If there are any statistics in here about China, I have not read them.

Mr. MUNDT. Well, there is one statistic which says that, I believe, in December of last year we sent China twice as much as we sent China all through 1942.

That sort of reminds me of the case of the Democratic sheriff in my county who ran for office one year and got twice as many votes as he did the year before, but he was far from successful.

So we have to figure the whole factor in this mathematical formula. In 1942 there was not much lend-lease going to China. Twice that does not mean much to me.

Mr. CROWLEY. I think everyone is in sympathy with getting as much aid to China as we can, from a practical standpoint. I know there is a great interest on the part of the committee here in getting aid to China.

I think when the military are here, you might ask them the question. Certainly it is not with any intent on our part to favor one nation over another, but only to ship supplies where they can be best used in the prosecution of the war. I think the faster we can get aid to China and get China organized to furnish their manpower in this

war, it is going to save that much more manpower of our boys and win the war sooner.

Mr. MUNDT. I am sure that is correct. Nobody is going to discriminate against China intentionally. It is largely a matter of shipping, I presume, and perhaps a matter of emphasis.

But the figures we do have in chart 4 indicate that to theaters other than the Pacific theater of the war substantially 90 percent of the lend-lease supplies have gone. Approximately about 10 percent have gone to the southern Pacific theater, according to the figures which you have in your report.

I would like to say at this time, Mr. Crowley, that I, for one, congratulate you on the very business-like and systematic and informative manner in which you have supplied us with the material which has come to us so far. It is in a good, understandable form, and very helpful.

Mr. CROWLEY. May I say this for the record so that I do not take any unnecessary credit for that. The work was done by my associates and they really, I think, have done an excellent job, and I think that this committee and the Congress will get a lot of good out of it.

Mr. MUNDT. Unquestionably.

Mr. CROWLEY. And I really and sincerely feel if the men and women on this committee go on the floor, having approved this bill, and if we can eliminate the politics and the propaganda that is used about lend-lease, we would really be making a fine contribution to our war and to our allied cause.

I know, as I told you the first time that I was here, you know it and you hear it when you go back home, it is unfair that some of these things should be permitted to sort of divide an effort of this kind. The more information you have, the more you are going to be able to defend what we are trying to do with lend-lease.

Chairman BLOOM. The Chair would like to make a statement, if you do not mind, Mr. Mundt.

Mr. Crowley spoke to me in the beginning about a very important conference that he had to attend at 12:30, and I promised to let him out at 12:20.

Of course, Mr. Stettinius came in here and we took over a half hour with him. And if you do not mind, we will excuse Mr. Crowley for the moment and have him come back again and continue with his statement, without crowding you with your questions, or the other members.

Mr. MUNDT. Not a bit. I wonder if we could have him come back tomorrow?

Chairman BLOOM. The Chair was going to make the further statement that tomorrow morning is the only time that Mr. Secretary Stimson can be here. He cannot be here other than tomorrow morning on account of engagements he has out of town, so I have arranged to have Mr. Stimson here at 10:30, and as soon as we get through with Mr. Stimson, then Mr. Crowley will come on again, if that is satisfactory to the members.

So we would like to start tomorrow morning sharp at 10:30 when Mr. Stimson will be here.

We will recess until tomorrow morning at 10:30, because the Secretary would like to get away as fast as he can.

(Whereupon, the committee adjourned, to reconvene tomorrow morning, Friday, March 3, 1944, at 10:30 a. m.)

## EXTENSION OF LEND-LEASE ACT

FRIDAY, MARCH 3, 1944

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, D. C.*

The Committee on Foreign Affairs met in the committee room, the Capitol, at 10:30 a. m., Hon. Sol Bloom (chairman) presiding.

Chairman BLOOM. The committee will come to order.

The committee has under further consideration H. R. 4254, and we have the honor of having with us today the Secretary of War, the Honorable Henry Lewis Stimson, who will testify.

Mr. Stimson has a statement which he will read first, and then we will go down the line for examination.

Proceed, Mr. Secretary.

### STATEMENT OF HON. HENRY LEWIS STIMSON, SECRETARY OF WAR

Secretary STIMSON. Mr. Chairman, 3 years ago, as many of you gentlemen remember, I took an active part on behalf of the War Department to urge upon the Congress the adoption of the lend-lease legislation as an important, if not a vital instrument, in our defense. I then stated the benefits to this country which I felt would accrue from the passage of that act. Again, a year ago, I came here to urge upon you the extension of that legislation for another year. I said then that I believed that it was in the interest of the United States that the Lend-Lease Act be continued, and that any other decision would seriously delay and jeopardize our complete and total victory over the enemy.

The Congress has properly seen fit to review at annual periods the operation of that act and the wisdom of its continuance. As a result of this policy, I am again before you, and on this occasion I wish to testify that the events of the last 12 months have in my opinion completely justified the then decision of the Congress that the Lend-Lease Act should be extended. At the same time I wish to state my conviction that now in the interests of the country it should most certainly be extended for another year. Indeed, in my judgment not to extend this act in this fateful year of our country's history, after our experience has shown how powerful a factor this policy has been and continues to be, would be unthinkable.

I think that a decision not to extend this legislation would prolong the war and increase the cost to our people in lives and dollars. We are now in the full passage of war, where the full accumulation of our strength must be thrown against the enemy and our continuity of effort maintained. Experience in this war—as in all wars—has shown



that the greater the preponderance we have in men and matériel in any given action, the fewer the casualties and the quicker the issue is resolved in our favor.

I have heretofore testified that one of the merits of this legislation was that it marshaled in a most effective and flexible manner the means by which our allies could be aided during the time that our own forces were being armed. The experience of the last year has given us many examples of how the equipment thus made available under this act has been applied to our benefit against the enemy. The recipient of the greatest lend-lease aid has been Great Britain. One year ago I was able to show what a spectacular contribution lend-lease aid in the form of tanks and tank destroyers was able to bring to the British armies at the decisive battle of El Alamein in Egypt.

But that was only one incident in the course of the war. In the main, the items supplied to the United Kingdom are those for which British production is not sufficient to cover their entire need. We supply the United Kingdom with many articles, but in the items of tanks, heavy trucks, and track-laying tractors—things which enable armies to move over the ground and to construct bases from which attacks may be rendered—the United States furnishes almost the entire requirement of the United Kingdom. The cessation of shipments of these articles would, therefore, greatly cripple the forces of our ally. Although her ability to concentrate on other weapons enables her to strike the enemy just that much harder, in the important items listed above, Britain's war effort is almost, if not entirely, dependent upon us. In other instances we have filled out the British production. For example, this is so in the case of aircraft where, generally speaking, England builds her own fighters and long-range bombers, whereas we supply her with large quantities of her medium aircraft. These planes are used for the vital work of her coastal protection, the support of her ground forces, and the shorter range tactical bombing which is so important a factor in modern warfare.

They are the planes that are now protecting our convoys as they approach the dangerous portions of the Atlantic Ocean along the British shore.

In the same manner we have supplied enormous quantities of American equipment to the Red Army. Roughly, we have given the Soviets 8,300 airplanes, 4,300 tanks, and over 220,000 motor vehicles, and we have also supplied them with many items of signal equipment.

A large portion of the 220,000 motor vehicles which I mentioned were used in the Battle of Stalingrad, and our observers have had very outspoken admiration from our friends the Russians as to the importance of those elements of transportation in the achievement of that victory.

Again, we have sent some two and one quarter million tons of food to Russia, and our observers have been able to tell us how much an element that has been in the saving of lives during the long siege of that city.

The U. S. S. R. has performed miracles, both from an industrial and a military viewpoint, but she is to a substantial degree dependent upon the United States in maintaining her lines of communication. The distances in Russia are great. The lines of communication of the Red Army are growing longer as it advances. It becomes more



and more important to that Army that transportation and communication facilities are maintained. The supply of the Army is signally dependent upon good trucks, and to keep the armies and staffs in communication, great dependence now rests upon American telegraph, telephone, and road equipment. Marshal Stalin has testified in a very definite and wholehearted manner to the important aid that United States equipment has rendered and is rendering to the Soviet armies.

Now, in regard to the new problem that is coming on Russia in the shape of the prolongation of her lines, for as she pushes Germany back from the devastated portions of Russia which Germany has occupied, transportation becomes an increasing problem. The 200 locomotives which we have sent and the 3,000 tractors which we have sent just recently are of vital importance in keeping up that victorious movement of the Russian armies. Then there is another spectacular advantage which we have obtained through lend-lease benefits during the past 12 months, and on which we will increasingly rely, and that is the equipment of the French divisions that are now beginning to fight with us. Although French troops, as you remember, fought with us in Tunisia, they fought with tremendous disadvantages from ill-equipment; but we have now been able, through lend-lease aid, to equip a number of those divisions with modern American equipment which now enables them to take their place in the line with our troops in Italy. A number of those divisions are today fighting at our side in that fierce battle line in Italy and they are fighting very well. They have not been giving up any ground. They have taken it and held it and the ability and availability of these well-equipped divisions has made it possible for us to adopt a much more flexible offensive against the Germans. We are still in the process of equipping French troops for operations that are to take place. These troops are already on the ground, so to speak; they need not be transported across the Atlantic; and their quality and fighting spirit have been already demonstrated in many battles.

When you turn to the other side of the world, in the South and Southwest Pacific, in India and in China, lend-lease military supplies are everywhere employed by our allies and in battling the common enemy.

Of necessity, a very large share of the burden of opposing Japan has fallen upon China. Through the medium of lend-lease we have been able to assist China in her courageous and tenacious opposition to the invader. In the face of tremendously difficult terrain and under the most trying operating conditions, lend-lease aid is now being flown to China by American and Chinese pilots in increasing volume. The supplies consist of military stores of all types and of vital materials necessary to keep China's own munition arsenals in operation. In addition to these supplies, General Stilwell is training, both in India and in China, selected divisions of Chinese troops who are being equipped through the medium of lend-lease.

Some of those divisions are divisions which have been advancing now in the last few weeks in Burma from the northwest. Those troops have been drilled by General Stilwell in India and have been equipped with equipment sent from the United States, and they are the divisions which have been making steady progress in that difficult theater. As increasing pressure is brought to bear against Japan,

these Chinese troops will be available for use where otherwise American forces might have to be employed.

As India changes from being the termination point of the Japanese advance to being the point from which offense operations must be launched, lend-lease equipment has been used to make such base effective. Ports, lines of communication, airfields, and depots had to be built anew or modernized for military use. The supply of engineering, transportation, signal, and port-handling equipment, through the medium of lend-lease has made this plan possible. In addition, Indian troops as well as other units of Empire forces are being supplied with United States equipment that cannot be supplied from Empire sources. By this means more forces are being made available for combat as an alternative to the use of American troops. Right now operations in Burma have been greatly facilitated by the use of lend-lease arms and equipment. Supplies recently flown in to troops in Burma were of lend-lease origin.

Amphibious operations and jungle warfare have required the supply of large quantities of American engineering equipment and other items developed as a result of American manufacturing genius. Within General MacArthur's forces area Allied units whose equipment for effective combat requires the supply of lend-lease material. Australian troops have been dependent on lend-lease for heavy motor vehicles, engineering and construction equipment, and other items—notably what we call the bulldozer—peculiarly necessary for jungle warfare, and these vehicles have all originated in the United States. Similarly, in amphibious operations in the South Pacific, Allied units fighting with our own forces obtain certain essential equipment through the medium of lend-lease.

I have given you these examples to show you how far the assistance of this method of increasing the effectiveness of the operations in which we are vitally interested has spread.

Now, as the tempo of the fighting in both the Atlantic and the Pacific areas increases, the need for the uninterrupted flow of lend-lease supplies becomes more vital.

As has been said here—I think yesterday or the day before—we are only just beginning to feel the necessities of heavy mass fighting, and in that kind of fighting the uninterrupted flow of munitions is, of course, more and more imperative.

On all sides, therefore, and judged purely from the point of view of our military effectiveness, there are full evidences of the merit of this policy. To check this flow just at the time when it is being brought to bear in its heaviest form against the enemy would be inconceivable, unless we wish to take the alternative of prolonging the war at the greater expense of our own lives and matériel.

This morning I am not going to detail again the procedures by which lend-lease supplies are made available to other countries. When I testified originally in support of the lend-lease legislation, I went into the method by which it was determined that a screening of the foreign countries' requirements was to be made; and again I testified last year in great length as to that procedure; so that I can refer you now either to my earlier testimony or to the gentlemen who are here and who will testify directly as to how those operations are carried on, rather than to detail the methods again.

It is inescapable that there will be instances when unanticipated events will create shortages or surpluses, and victory is to be expected at the time when our own forces and those of our allies are at the peak of their power, both in men and matériel. It can be readily seen how disastrous it might be to assume that the fighting would stop on a given day to plan the flow of supplies so that on that day they would be exhausted.

The lend-lease program is designed to hasten the day of victory by permitting us to put the weapons of victory into the hands of our allies with a flexibility based on strategic considerations. That is not haphazard, but according to strategic considerations. This is the principal benefit of the system to us. An increasingly important benefit, however, is the reverse lend-lease aid we are receiving from our allies throughout the world. Substantial amounts of supplies and services are being received in this way by our forces overseas without any payment by us. As our troops overseas increase in numbers, it may be expected that our allies will furnish us with an increasing amount of reverse lend-lease, within the limits of their material and financial resources.

The type of aid received by our troops under reverse lend-lease covers a multitude of services and facilities, of supplies and equipment. Air fields, barracks, hospitals, and repair depots have been freely provided. We receive as reverse lend-lease aid, ocean and inland transportation of our troops and cargo, communication services, and utilities such as light, heat, and water. In Australia and New Zealand, substantially all of the food required by our forces is provided to us from local production. Important amounts of clothing and textiles, small ships, medical supplies, and general supplies and equipment have been made available to us by our allies. The thousands of "bits and pieces" which we are sending are a substantial contribution to the expeditious equipment and effective maintenance of our fighting forces.

In my statement to you last year, I pointed out that not only weapons but other lend-lease supplies such as food, raw materials, and industrial products, were vital to total war. Food as well as guns must be provided our allies if victory is to be assured. It is not reasonable that in this year of fateful decision we should take any steps leading to the interruption of the flow to the United Nations either of our weapons or of these other equally essential supplies.

But, in conclusion, let me give you a terse summary of what I think to have been perhaps the most important contribution which has been made by lend-lease to the prosecution of the war. In this war a group of allies has had the task of confronting the closely knit power of the Axis Nations, and to do so in theaters all over the world. That, on its face, has required the utmost efficiency in the application of our allied resources and power. Now a group of allies historically and traditionally has always been a notoriously ineffective force. This was epitomized by Napoleon's famous remark, "Let me have allies for enemies."

In this war, for the first time in history, the resources and manufacturing powers of the large industrial Allied Nations, of which the United States is the most important factor, have been intelligently used to unify equipment and at the same time to unify strategy. The lend-lease statute has been one of the potent factors out of which



these two unities have been created. Under the direction of the Combined Chiefs of Staff in Washington, lend-lease has provided a centralized source of supply of arms for our group of allies throughout the world. The lend-lease contribution of the United States in basic fighting weapons has been so great in the creation of this centralized supply that major decisions of strategy cannot be made without assurance that these weapons from the United States are available. As a result, the strategies of the Allied armies in both the Pacific and the Atlantic have been coordinated and used in ways which the United States and its allies all believed would be effective, and the lend-lease machinery has been a potent factor in providing for this unity of action. The productive power and influence of the United States has thus been exercised through lend-lease as a potent magnet to coordinate and unify a group of allies into a harmonious working whole. The grand strategy of the United Nations today is following a harmonious course which the United States believes to be sound. When the power of our offensive is reaching its full tide, it is no time to liquidate a method by which that unity and effectiveness have been achieved.

Chairman BLOOM. Thank you, Mr. Secretary.

Mr. Johnson, have you any questions you wish to ask the Secretary?

Mr. JOHNSON. Mr. Secretary, I think you have presented very forcibly what I would term an unanswerable argument as to why lend-lease should be continued.

As you were reading your statement, which was very comprehensive and answered all of the questions one might think to ask on this matter, I recalled your initial appearance before this committee when we first had lend-lease under consideration, and the splendid manner in which you made your presentation and your prediction as to how it would work. Your statement today, I think, vindicates your prophecy that you then made.

Secretary STIMSON. You remember also, perhaps, the chaotic situation that I described as then being in existence.

Mr. JOHNSON. I remember that quite well. And then you at that time stressed, as you stressed in the last part of your statement here, the need for unification of our efforts in producing supplies; and if we had not had lend-lease, of course, it is evident, we would not be where we are today in this war, and the lives of our men have been saved in an untold measure by lend-lease.

Secretary STIMSON. That is my belief.

Mr. JOHNSON. I thank you very much, Mr. Secretary, and I congratulate you, and I think you have answered in your statement every question I might raise in criticism, if I could think of criticism, which I do not. Thank you.

Chairman BLOOM. Dr. Eaton, have you any questions you wish to ask the Secretary.

Mr. EATON. I join with Mr. Johnson in thanking the Secretary for his usual lucid presentation of the problem.

Secretary STIMSON. Thank you very much.

Mr. EATON. I think we are practically all agreed that, as far as the war is concerned, lend-lease has been an unqualified success; but this is a very wicked world we are in, especially in a political year, and rumors of all kinds are being circulated as to the extra-war efforts of lend-lease, boondoggling of various kinds; reform methods;



preparation for remaking the world after the war, using lend-lease as an instrument. I wonder if the Secretary has envisioned any of that territory in his beliefs.

Secretary STIMSON. I have envisioned it enough to ask to keep out of it at this hearing. This hearing really does not relate to it. Lend-lease is a great weapon for winning this war, and that is what I came here to talk about.

Mr. EATON. And that is your territory?

Secretary STIMSON. That is my territory.

Mr. EATON. You do not join with the saviors of the Nation in having lend-lease——

Secretary STIMSON (interposing). I would rather confine myself to my own job.

Mr. STEARNS. I cannot hear you, Mr. Secretary.

Secretary STIMSON. I would rather confine myself to my own job.

Mr. EATON. Unfortunately we cannot take notice of just one single job.

Secretary STIMSON. By that I do not say I think there are any of those evils you speak of. They have not come to my attention, but I regard them as not germane to the question that is before this committee now.

Mr. EATON. That is all, Mr. Chairman.

Chairman BLOOM. In other words, he closed the shop on you.

Mr. EATON. Evidently he is a believer in the closed shop.

Chairman BLOOM. Mr. Richards, have you any questions?

Mr. RICHARDS. I have no questions, Mr. Chairman. I just want to thank the Secretary for his strong statement.

Chairman BLOOM. Mrs. Rogers, have you any questions?

Mrs. ROGERS. Mr. Secretary, you gave a very fine statement, but there is a question I would like to ask you. Are you satisfied that under the lend-lease all these implements of war are being sent that should be sent? In other words, do you feel that the shipping space is being used for sending other commodities that have nothing to do with the actual winning of the war?

Secretary STIMSON. Do you mean winning of the war?

Mrs. ROGERS. Sending over in the ships commodities of one sort and another in the guise of lend-lease.

Secretary STIMSON. I am quite confident that under the present system of screening that is going on, the shipment of articles which are called lend-lease are intended, and really intended, as part of the aid that I described in my opening statement.

Mrs. ROGERS. From the press and some other sources I received information that in the past certain commodities have been sent that have nothing to do with the winning of the war, and I want to make sure that you are satisfied, Mr. Secretary, that all space possible is given to the implements of war.

Secretary STIMSON. Well, I am satisfied that this human agency, which, like all human agencies until we get to the millenium, is not entirely perfect, is serving its main purpose, which is the purpose which I described, with great effectiveness and without any scandals or wastages which have been brought to my attention.

Mrs. ROGERS. I agree with you, Mr. Secretary, that there is an absolute necessity to carry it on at this time. Are you satisfied with the amount or the quantity of implements of war going to China, for example?

Secretary STIMSON. Yes; I am very well satisfied with that, when you consider the tremendous difficulties of getting anything to China, which is practically blockaded by all routes except the air and the comparative purposes which lend-lease has to serve in other ways.

Mrs. ROGERS. But you have enough "ships" to carry it?

Secretary STIMSON. You cannot get to China in ships.

Mrs. ROGERS. I mean airships.

Secretary STIMSON. Yes; all of those things, Mrs. Rogers, we have to judge by comparison, and when I find they are doing better than I expected, I think that means it is successful.

Mrs. ROGERS. I wish it were more successful. Thank you very much.

Chairman BLOOM. Mr. Jarman.

Mr. JARMAN. Mr. Secretary, I recall vividly, and with what deep regret I heard your predictions of what might happen in the first hearings on lend-lease. I also particularly recall a personal conversation with you at the White House, I believe during those hearings, which impressed me, I think even more greatly of the danger; and I have always felt that your forceful presentation of the probabilities and possibilities at that time constituted one of the great accomplishments on the part of America toward the victory we now know will be ours, and I thank you for it.

Secretary STIMSON. I thank you. I think you are very over-generous.

Mr. JARMAN. I do not think so.

Chairman BLOOM. Is that all, Mr. Jarman?

Mr. JARMAN. Yes, sir.

Chairman BLOOM. Mr. Chipfield, have you any questions you wish to ask the Secretary?

Mr. CHIPFIELD. Mr. Secretary, I want to thank you for your very excellent statement. As you were making that statement I recalled on another occasion when you were before our committee different than the one Mr. Johnson referred to, you made the greatest statement or plea which I have ever had the pleasure of listening to while a member of this committee. That statement was made some time back by you when you spoke in behalf of aid to China. In its simplicity and in sincerity it was a masterpiece.

Mr. JOHNSON. I want to corroborate what Mr. Chipfield said. I thought that was one of the most effective speeches I ever heard, and when I went home I referred to what you said about China fighting with her bare hands. I never had such a feeling on it, and I know that the committee was likewise impressed by your statement at that time.

Mr. CHIPFIELD. I do not believe anybody who was present will forget your statement. I have no question.

Secretary STIMSON. Thank you.

Chairman BLOOM. Mr. Burgin, have you any questions?

Mr. BURGIN. I have no questions.

Chairman BLOOM. Mr. Stearns, have you any questions?

Mr. STEARNS. I have no questions, Mr. Chairman, and when I say "no questions" I mean no questions.

Chairman BLOOM. Mr. Courtney, have you any questions?

Mr. COURTNEY. I have no questions, Mr. Chairman.

Chairman BLOOM. Mr. Mundt, have you any questions?

Mr. MUNDT. I have 2 questions, Mr. Secretary, and when I say "2 questions" I sometimes mean 20.

Secretary STIMSON. I remember very well.

Mr. MUNDT. I had a letter the other day which I have not answered yet because I am not just sure in my own mind, but I think I would be correct in saying that China now has a representative on this supply board that determines the allocation of lend-lease. I am not sure and I wanted to make sure before I answered the communication.

Secretary STIMSON. I told you that they are represented by an American Army officer.

Mr. MUNDT. Has she not representation of her own?

Major OGDEN. That is a detail with which I am familiar, Mr. Congressman. The Munitions Assignment Board handles that.

Secretary STIMSON. Major Ogden is a member of the War Department International Division that acts in the presentation of these cases, and he has come up with me this morning to furnish such information.

Mr. MUNDT. Is Major Ogden the Chinese representative on the Board?

Major OGDEN. No, sir; I am not. The War Department is so constituted that there is a Liaison Division which represents nations other than the United Kingdom when assignments are made, and these Army officers are very zealous, I can assure you, in being advocates for the countries which they represent; and if these officers feel that the countries they represent are not getting the treatment that they think the country is entitled to, there is a regular appeal procedure to the Munitions Assignment Board.

Mr. MUNDT. May I ask the Secretary or Major Ogden whether China has a representative on the Board, or whether it is represented through an American officer?

Secretary STIMSON. My recollection is that the Munitions Assignment Board has the same representatives of the same nations as the Combined Chiefs of Staff, which is its superior, and that is of the United States and Great Britain. I think Russia has no member.

Mr. MUNDT. In other words, Russia's representation is on the same basis as that of China?

Major OGDEN. Yes, sir.

Secretary STIMSON. All nations except the two I mentioned.

Mr. MUNDT. The next question: I presume it is the purpose, and it should be in the record, that you are saying that it is satisfactory both to China and to Russia, as well as to ourselves?

Secretary STIMSON. I think so; yes. I think that any other system, considering that the supplies come from those two countries, the United States and Great Britain, in larger part if not altogether—any other system would be sure to bring trouble.

Mr. MUNDT. It does give rise to a lot of inquiry among good Americans, or laymen, who seem to feel always that direct lend-lease should have some representation, not from the standpoint they have lend-lease materials—

Secretary STIMSON. Well, I think if they have a claim to present, they always have an opportunity to be heard. I am sure of that.

Major OGDEN. That is true ordinarily.

Secretary STIMSON. It is ad hoc on that provision.



Mr. MUNDT. The other question, Mr. Secretary, is this: Who determines the lend-lease in reverse? That is, the representations. Who makes the representations and to whom are they made in lend-lease in reverse?

Secretary STIMSON. Well, that I cannot give you. I wish you would ask the gentlemen who are handling it.

Chairman BLOOM. Mr. Crowley could answer that.

Mr. MUNDT. Can you answer it from the standpoint of lend-lease coming back to our military forces? I thought this was a question for the Secretary of War.

Major RAUH. In our command in Australia, and I am quite sure it is the same as in the United Kingdom, the Army forces there have a general purchasing agent whose job it is to go to the local authorities and get supplies. Actually the Army handles it in the field with such assistance as the Foreign Economic Administration can give them.

Mr. MUNDT. Does the commanding general in each theater of war determine whether a particular set of supplies shall be purchased by cash or lend-lease in reverse?

Major RAUH. We try to get whatever we can through reverse lend-lease. That is our job. Our job is to spend as few dollars as we can. Colonel Eddy, who is in charge, will be here next week and he will testify in full on the situation in Australia.

Chairman BLOOM. That is right.

Mr. MUNDT. That is all.

Secretary STIMSON. I would prefer that you get that direct from people who know rather than from me, who knows only the general picture.

Mr. MUNDT. I thought there was some centralized program.

Mr. CROWLEY. Our armies are in all theaters all over the world. If there is a theater of war in our allies, they would undoubtedly try to get everything they can in the way of local supplies from that ally.

Mr. MUNDT. That is all.

Chairman BLOOM. Mr. Gordon, have you any questions?

Mr. GORDON. Mr. Secretary, I join my colleagues in appreciating your appearance and hearing your very important statement. I have no questions.

Secretary STIMSON. Thank you.

Chairman BLOOM. Mr. Jonkman, have you any questions?

Mr. JONKMAN. Mr. Secretary, Stalin said a few days ago that the war in Europe would be over soon. Churchill has said the same thing. He said it last year, or rather Churchill said it might be, and I think President Roosevelt came mighty close to saying that. In case it should happen, and after all it might happen, if the war in Europe should stop unexpectedly, we will have pretty nearly \$5,000,000,000 worth of equipment in Russia. You mentioned furnishing them 8,300 planes and there will be a lot more, and I believe the report said they are all combat planes or bombing planes, and 220,000 vehicles, 200 locomotives, and, I think, 3,000 freight cars. If the war should stop very suddenly, we might need those very badly in the Japanese area.

Now have you any assurance that we can get them out in case the war in Europe should stop suddenly?

Secretary STIMSON. Assurance of getting a plane which may be used out? What kind of assurance?



Mr. JONKMAN. Anything that is reasonable.

Secretary STIMSON. I cannot answer your question.

Mr. Cox. The agreement we have provides that if equipment is not destroyed, consumed, or exhausted, the President of the United States has a right to recapture it.

Mr. JONKMAN. Has the right to recapture? I am asking whether the military authorities will be able to get it out of Russia.

Secretary STIMSON. Are you asking me?

Chairman BLOOM. Everybody knows you cannot answer that.

Secretary STIMSON. I would like to know what kind of assurance Mr. Jonkman would expect.

Mr. JONKMAN. I would like to know, Mr. Secretary, from anybody. I realize that of those 8,300 airplanes many will be destroyed, perhaps a great many, but we are sending more in constantly, and that is material we will need badly to whip Japan. Are we going to be able to get it?

Secretary STIMSON. Well, from the statement which has just been given, we have the right to have it returned; but I would like you to consider a few facts that come in there. I know you would like to have those planes used against Japan.

Mr. JONKMAN. Great Britain has assured us that she will help us whip Japan, but we have no assurance that Russia will.

Secretary STIMSON. I do not think it is a matter which is germane to my appearance here today.

Mr. JONKMAN. On the contrary, it is tremendously germane from the standpoint of lend-lease. There are two things we want to know, and that is that we get it back when the war is through in Europe so that we can use it against Japan, particularly when we need it.

Secretary STIMSON. Well, when I was here a year ago I went pretty fully into the question which would underlie your question now, namely the folly of trying in a war to deal on a dollars-and-cents basis with allies in the conduct of the war. We tried it in the last one in making loans in the form of an investment on which we were to get interest and to get it back. I was in the State Department at the time when we were trying to get it back. It was a sort of procedure which was practically never used before in previous wars. I know from the history of Great Britain there never have been loans made to allies. There have been subsidies. In other words, gifts, for which the return was to get the fighting assistance of that ally; and the minute you go into the question of trying to turn it into a commercial transaction in time of war, you are going to get left.

I remember a speech one member of this committee made just before I appeared before you gentlemen, in which he covered this proposition so well and thoroughly that I do not think that it is necessary to repeat it. That gentleman was Mr. Wadsworth.

Mr. JONKMAN. I want to say this, Mr. Secretary—

Secretary STIMSON. If you go into a money-making business on this thing instead of contributions to an effective alliance, you are going to get into trouble.

Mr. JONKMAN. I am not talking about dollars and cents in any way, shape, or manner, but I am referring to the 8,300 airplanes, the 225,000 trucks, the 200 locomotives, and the 3,000 flat cars, and I want to know what disposition is going to be made of them and whether we will be able to use them in our fighting Japan.

Secretary STIMSON. Arrangements have been made on the basis that was mentioned, that they could be returned. You added something to your statement. You want them in time to fight Japan. Do you know anything about the difficulty of that?

Mr. JONKMAN. I have not heard that Russia will fight. Will Russia let us have our stuff to fight Japan? That is all I want to know. I do not object to anything being supplied Russia which she is now getting, but I would like to know whether we can get it back after the war is over.

Secretary STIMSON. The arrangement is that we do get it back, as Mr. Cox has told you.

Mr. JONKMAN. We have the right to; have you the confidence?

Secretary STIMSON. I have told you about the folly of getting into commercial acrimony with allies when you are engaged in a war.

Mr. JONKMAN. I do not think my question involves any problem of that kind at all. I accept your answer.

Mrs. ROGERS. I think, Mr. Jonkman, you have in mind, perhaps, leaving in other countries perhaps tremendous supplies and instruments of war.

Mr. JONKMAN. That element is involved. We might want it in China to fight the Japs. Can we get at it?

Mr. COX. As far as our experience has extended, we have found our allies have shown good faith. They have never gone back on their given word, neither politically, diplomatically, or otherwise. Whether or not the Russians will fight the Japanese, as you are well aware, is a very complicated question. As far as the equipment is concerned, under whatever circumstances which may develop there is an obligation on the part of Russia to return it upon our request and our experience has been that they stick to their obligations.

Mr. JONKMAN. That is all, Mr. Chairman.

Chairman BLOOM. Mr. McMurray, have you any questions?

Mr. McMURRAY. I have no questions, Mr. Chairman.

Chairman BLOOM. Mr. Wadsworth, have you any questions?

Mr. WADSWORTH. I have no questions, Mr. Chairman.

Chairman BLOOM. Mr. Mansfield, have you any questions?

Mr. MANSFIELD. Mr. Secretary, I have no questions, but there are two observations I want to make. One is, I do not think we need worry about the war ending this year, unfortunately, because we have got a pretty tough problem ahead of us, especially in the Pacific area; and, the second observation is that I am only sorry we did not follow your advice at the time of the Manchurian crisis in 1931, because if we had we would not have this problem on our hands at the present time.

Chairman BLOOM. Is that all, Mr. Mansfield?

Mr. MANSFIELD. Yes, sir.

Chairman BLOOM. Mr. Gerlach, have you any questions?

Mr. GERLACH. I have no questions.

Chairman BLOOM. Mr. Wright, have you any questions?

Mr. WRIGHT. Mr. Secretary, I remember shortly after Pearl Harbor everybody was very anxious to supply our allies with equipment of war and there were no questions asked. Now as the war gets along there seems to be a feeling that I do not agree with, that our allies are using lend-lease to better their economic conditions. Now that is a very troublesome question and, no doubt, it will be

raised on the floor of the House, and it has been raised when other international questions came up. I do not feel that I am out of order in mentioning it and I would appreciate your comments on it.

Secretary STIMSON. Well, I am very glad to comment on it. I have no idea that is being done in any substantial way at all. I mean any way that would be beyond the possible individual delinquency of some individuals. I think, on the contrary, as I said in my opening statement, the system is working admirably throughout; and, in fact, the fact is, it is true that as one approaches the end of a war a group of allies tend, as you say, to think of their own post-war interests rather than of winning the war. I say that is not a reason for stopping lend-lease. It is a reason for keeping in effect the cohesive power—the cement, so to speak—that keeps them together at a time when it is more necessary than it was early in the war when they were all scared and would keep together anyhow.

Mr. WRIGHT. Thank you very much.

Chairman BLOOM. Is that all, Mr. Wright?

Mr. WRIGHT. Yes; that is all, Mr. Chairman.

Chairman BLOOM. Mr. Secretary, the committee thanks you very much for appearing here again on this very important subject and we hope to see you again. [Applause.]

(The Secretary withdrew.)

Chairman BLOOM. Mr. Crowley, will you resume the witness stand?

Mr. MUNDT. Mr. Chairman, if I may I would like to ask Mr. Cox a few questions.

Chairman BLOOM. Proceed.

Mr. MUNDT. In connection with the figures you supplied me on the agricultural machinery situation, at the bottom of page 3 in your statement, Mr. Cox, you referred to farm machinery going to north Africa and the Middle East and then you said "Farm machinery shipped to these areas is paid in cash."

Mr. Cox. That is right.

Mr. MUNDT. Then it is not a lend-lease?

Mr. Cox. It is what we call a lend-lease cash reimbursement transaction. There have been some cases where because of direct relationships to the war, shipping, and other conditions, supplies have been procured and shipped under lend-lease and paid for in cash. In the case of French Africa, for example, the agreement which was entered into with the French National Committee provides that all civilian supplies or all supplies for civilian uses are to be paid for in cash insofar as they have any possible resources to do that; and up to date, as I mentioned yesterday, they paid approximately \$60,000,000 for civilian supplies going into French Africa. The same is true in the Middle East in the case of farm machinery.

Mr. MUNDT. Then in the figures you gave on page 4 that is—

Mr. Cox (interposing). That is the gross amount which has accumulated, and which in part is offset by cash receipts for farm machinery.

Mr. MUNDT. I guess I did not make my question clear yesterday. I am glad to have these figures, but what I actually want, Mr. Cox, is farm machinery exports in terms of items by years—that is, so many tractors, so many cultivators, so many plows.

Mr. Cox. We can break it down.



Mr. MUNDT. I do not care to have it by countries. My interest is not as to who is getting it but what it is and to study its impact upon the farm machinery situation here.

Mr. Cox. All right, we will get that information for you.<sup>1</sup>

Mr. MUNDT. Thank you very much.

**ADDITIONAL STATEMENT OF LEO T. CROWLEY, FOREIGN ECONOMIC ADMINISTRATION, AND OSCAR COX, GENERAL COUNSEL, FOREIGN ECONOMIC ADMINISTRATION**

Mr. MUNDT. Now, Mr. Crowley, on page 16 of your statement before the committee, at the top of the page you say, "Our principal allies have contributed fully in proportion to their resources."

Mr. CROWLEY. Will you wait, Mr. Congressman for a moment until I get that information, please?

Mr. MUNDT. Yes, sir. It would be helpful to the committee, I am sure, when we come on the floor of the House, if you could in some way detail that information in some manner. You just say, "Our principal allies have contributed fully in proportion to their resources." If you have information on which that assertion is based, that will be helpful.

Mr. Cox. There is in your folder a graph or chart showing the war expenditures of our allies in relationship to their income, as well as the enemy countries.

Mr. MUNDT. Does it also show the contributions toward lend-lease?

Mr. Cox. Do you mean in reverse?

Mr. MUNDT. Yes, in reverse.

Mr. Cox. That chart does not show it, but we can furnish you another chart which will show that.

Mr. MUNDT. If we have another chart or graph we could demonstrate the validity of that.

Mr. Cox. There is doubt in my mind as to whether such data is relevant because the amount of reverse lend-lease depends on strategic considerations. The number of troops we might have in an area, for example would depend on our war strategy. The number of troops in Australia, New Zealand, or the United Kingdom, would depend on the grand strategy of the war, and as the number of troops increased there would be a greater amount of lend-lease made available in any particular battle area. For that reason the percentage of a country's national income going into uses which are directly connected with the war is a better index of their war effort than the amount of reverse lend-lease which that country supplies.

Mr. MUNDT. Well, as a matter of fact, the author of the sheet has furnished this information, and since it is put in the folder I know it will be jumped on. In fact I have already been approached in regard to it.

Mr. Cox. I may be wrong. As I understand the statement, it does not relate lend lease as on comparison to reverse lend lease.

Mr. MUNDT. That statement says "Our principal allies have contributed fully in proportion to their resources."

<sup>1</sup> See statement on p. 44.



Mr. Cox. The resources mentioned there, as I understand, is the productive capacity of the country in terms of goods, services, and supplies which the country produces. Now, for example, the United Kingdom—if its income were “X” dollars and it has devoted 60 percent of its capacity in goods and services to the war and we, for example, started at 10 percent and raised to 50 percent, our war expenditures in relation to our national income, then the proportion contributed for the war in the United Kingdom may be higher than the proportionate financial contribution made by the United States.

Now, the fact is that all the Allies beginning in 1939 have contributed as much or more in terms of the proportion of their production of goods and services for war purposes than we have. We started out, as you are well aware, in 1940, gradually, and have just begun at the present time to approach 50 percent of our national income in the production of goods and services for war, whereas the other allies long before had reached that point and exceeded it in terms of production to win the war.

Mr. STEARNS. That statement is a general statement more particularly related to lend lease.

Mr. Cox. Oh, no; it is a general statement.

Mrs. ROGERS. Will the British let us have all the equipment in the matter of oil?

Mr. CROWLEY. As far as I know, yes; because in the Pacific and in the Middle East the problem is as I imagine one that relates to supplying us with oil under reverse lend lease for our ships there. The rest of the question as to whether the oil should be supplied to other parts of the world, as I understand it, before the Mediterranean was opened up, was primarily a transportation problem, and since the Mediterranean was opened up increased supplies have come from the Middle East from the British.

Mrs. ROGERS. From the British?

Mr. CROWLEY. Yes; a full statement of the oil situation was contained in the President's thirteenth report to the Congress.

Mrs. ROGERS. I heard it argued both ways.

Mr. MUNDT. In your first appearance before the committee, Mr. Crowley, you said in regard to lend-lease, you spoke then of its tapering off in the coming year.

Mr. CROWLEY. I did not mean that the rate of lend-lease would decrease. Rather, I intended to indicate that for a number of reasons the total appropriation we shall request will be somewhat smaller for the coming year than last year.

Mr. MUNDT. My reason for bringing it up was that December 1943 was the largest month, I believe.

Mr. CROWLEY. That is right. I think in the case of lend-lease to Russia perhaps it increased in December, and I think it will increase in the first part of this year. Isn't it reasonable to assume that?

Mr. Cox. That is right. I think you will find that one of the members asked the question at the previous session in regard to lend-lease in December. It was higher than in September. You will notice that in December \$929,000,000 was in the form of finished munitions, and a large part of that is paid for and financed from direct appropriations to the War Department. I think the quantity moved will depend on strategic considerations in the course of the war.

Mr. MUNDT. I have only one other subject I want to develop and that has to do with this constantly conflicting problem of lend-lease in reverse. I was to get from the Secretary's statement a little clearer understanding of how the lend-lease in reverse operates. It seems to me, if I correctly interpret these figures, that lend-lease in reverse is coming to us in a steadily diminishing proportion instead of an increasing proportion, and I know that it is in conflict with the general impression, and in conflict with what you gentlemen have indicated to us in my earlier question when I asked yesterday or the day before whether the stream of lend-lease was expanding or accelerating, or whether it was diminishing, and I was apprised it was expanded constantly, getting a little larger, but I cannot find anything in the arithmetic to justify that gratifying prediction.

Mr. CROWLEY. Mr. Cox just furnished me with charts which you have in your book and also which we will put in the record, which I think shows that the lend-lease in reverse has been increasing, Congressman.

(See statement on reverse lend-lease aid in appendix A.)

Mr. MUNDT. I am not talking about the accumulated total, but I am talking about the rate.

Mr. CROWLEY. I am advised the rate is increasing, too. Let me give you my own personal viewpoint about the question of reverse lend-lease.

I am interested in getting as much reverse lend-lease as we possibly can. We are in constant negotiations with our allies about reverse lend-lease all the time. Now, I think reverse lend-lease should be looked at from a practical standpoint. Take, for instance, the situation in Russia, where they are doing excellent fighting. It would be, maybe, a contribution in the wrong direction if we were to request reverse lend-lease aid from the Soviet Union. Certainly it is true on the part of the other countries who have been in this thing a long time, that their economies have been strained and their manpower has been strained.

Do not get the impression that I do not want to get more reverse lend-lease. I want us to get all the reverse lend-lease we possibly can but I do not want to be so niggardly in my demands for reverse lend-lease that we impair our relationships with our allies and maybe deter what we are trying to do. I, like you, Congressman, want to get reverse lend-lease. In regard to reverse lend-lease, if you put it on a money basis you will defeat its purpose. That is my feeling in the matter.

Mr. MUNDT. Yes.

Mr. CROWLEY. And I do not think anyone from my past effort can say I do not want the United States to obtain what it should under reverse lend-lease.

Mr. MUNDT. I was not making an assumption or allegation. Let me explain my position on reverse lend-lease. I think we can leave Russia and China out of it, as they do not give us any reverse lend-lease at the present time, because they are doing a substantial amount of fighting. The Russian and Chinese soldiers are doing a great amount of fighting, so it becomes largely a matter of lend-lease in reverse from the standpoint of the other countries. My position in that primarily is this: This country has a responsibility and this committee has the duty to at least make to the country as a whole a

very clear, correct and understandable and accurate report of what lend-lease in reverse is actually doing, because we hear so much about it and everybody who speaks from an executive standpoint speaks in very emphatic terms about what lend-lease in reverse is amounting to. We want to bring it down and have it in understandable arithmetic.

Mr. CROWLEY. I think too much stress is being put on reverse lend-lease.

Mr. MUNDT. The stress is put on almost entirely by the Executive and not by this committee.

Mr. CROWLEY. I think there is too much stress made of it. May I make a little general statement?

I sense this and just so you men all understand my background, I come from Irish ancestors. I come from the Middle West, so that you would not accuse me of conniving to give the country to Great Britain. So we start out on that premise. But there is a question in my mind as to whether we are always treating Great Britain fair enough. Everyone is kind of booting it around; it seems to be good propaganda. We say "Sure, it is all right to give it to Russia, give them everything they want. It is all right to give it to China, they do this and that and the other thing, and they are partners," but when you have a dispute you have to go along and we must continue our partnership until we get out of the jam. I think whether we send over a package of cigarette paper or a bar of soap, as long as we do it honestly and squarely, with the best of intentions, that is the main thing. I do not think you can administer lend-lease, Congressman, so that there will be no criticism at all, but I do feel this: This is my first appearance before your committee. You have treated me very, very courteously. It is a fine committee. We are all interested in trying to get this war over, as quickly as possible. There will be a terrible toll in boys from a lot of families throughout the country. You have great confidence in the military. I would like to have you have the same confidence in lend-lease, that you take it entirely out of politics.

I will do my part in trying to get what reasonably can be gotten through reverse lend-lease. I will do what I can to screen the things that go to our allies. Let us not trouble our mind and energy in dealing with those things now, which might get us in the wrong direction from what we are trying to do.

Mr. MUNDT. I appreciate everything you say in your general statement, especially about this being a very courteous committee, and I hope you will never mistake insistency on the part of this committee for discourtesy, because this is a rather insistent group. I might say, fortunately for you, one of our most persistent members is not here this morning. Now I yield to Mrs. Rogers.

Mrs. ROGERS. Mr. Crowley, I am sure you will agree that we have a tremendous responsibility to our constituents of the country, that we do the best we can for the people of the United States, just as England does the best it can for its people.

Mr. CROWLEY. Mrs. Rogers, I recognize the responsibility of Congress. We have a responsibility, too. We all have an equal responsibility to work together. What I am thinking is that if this committee had the same confidence in the lend-lease program that they have in their military program we would work this thing out so that when



we went to the floor this committee and the country generally would believe that lend-lease was being administered efficiently and to the best interests of the boys and the people who are over there fighting.

Mrs. ROGERS. But do we not know that we have a great responsibility to see that our natural resources are not taxed too much, particularly in the matter of oil. I go back to that question because it is so vital to the country. That is not attacking England but we are merely standing up for our rights. We must undertake that with every single Government agency and we have got to see that not too many of our boys are lost.

Mr. CROWLEY. But you cannot put this on a trading basis that you would sit down every morning and say, "Well, boys, what will we put in this ship, before it comes back?"

Mrs. ROGERS. But I do think we ought to have a careful check on all shipments.

Mr. MUNDT. Mr. Crowley, twice this morning you stated substantially this: "That this committee may depend upon me doing my part to see that we will get back all that we can from lend-lease."

I am sure that is correct, but as I understood the answers I received from Secretary Stinson and his colleague, you just have not got anything to do at all with lend-lease in reverse.

Mr. CROWLEY. I do not think that is true at all, Congressman.

Mr. MUNDT. Did not Major Rauh tell me the change in the theater of war determined reverse lend-lease?

Major RAUH. The problem on that score is quite simple, Congressman, because the policy agreed upon by the Foreign Economic Administration and the War Department is that we are to get everything we can under reverse lend-lease, and report back what we get under reverse lend-lease so that America does not have to supply it. There is no possible conflict because our policy is to spend as few dollars and get as much on reverse lend-lease as we can. The Army works on that basis in the field. F. E. A. has a mission in Sydney, Australia, and we work closely with them.

Mr. COX. In regard to our reverse lend-lease agreements, they were worked out here in Washington by the State Department and the Lend-Lease Administration. Those agreements, as Major Rauh testified, are in effect and are put into practical operation by the armed forces. The thing Major Rauh explained is that in the field in executing that major agreement and policy, they followed the plan of getting everything they can from the resources of the particular country without the payment of dollars or any other payment.

Chairman BLOOM. I think that is pretty good.

Mr. MUNDT. It is better than the answer I got from Secretary Stinson. See if I have got it clear now.

You, Mr. Crowley, and your associates, lend-lease and F. E. A., determine the policy of lend-lease and reverse lend-lease, which is to get all you can, which does not interfere with the war effort?

Mr. CROWLEY. That is correct, Congressman, we do it with the State Department.

Mr. MUNDT. And then you have a man in your office who works closely with the men in military operations to bring that about?

Mr. CROWLEY. That is correct, sir.

Mr. MUNDT. And further, in addition to that, Mr. Cox's statement you sort of detailed the type of items you think they should be able to get?



Mr. Cox. We are in constant negotiations with the countries involved. Representatives of those countries in Washington are working with us in looking out for what reverse lend-lease aid they can give us.

Mr. MUNDT. The joint obligation which you have and the executive departments have and we have is to keep the American public advised accurately of this matter of lend-lease in reverse. I agree that it should not be overemphasized. I think it has perhaps been overemphasized in the past by virtue of the fact that figures do not total up as much as many of us expected.

Mr. CROWLEY. How is that?

Mr. MUNDT. As I understand it: See whether I am inaccurate in my figuring, or not, the rate of lend-lease in reverse has not been accelerated. I think it has been diminished, for this reason, and I am not criticizing it, or approving it, but I am trying to get at just the facts.

Mr. CROWLEY. Do you mean there that it has not increased in proportion to the increased outgo from the United States? Is that what you mean?

Mr. MUNDT. No; it has not increased in relation to the purchases.

Mr. CROWLEY. You are not talking about ratio?

Mr. MUNDT. No; the volume only, because on page 14 you say:

On this basis of reverse lend-lease the aid we received from the British Commonwealth of Nations up to December 30, 1943, exceeded one and one-half billion dollars.

That is an accumulation, isn't it?

Mr. CROWLEY. Yes.

Mr. MUNDT. Let us go back to a year ago on March 9, 1943, when we were talking about lend-lease on the floor and on page 1786 of the record, quoting Mr. Wadsworth, of New York, he said:

I think I am not violating any confidence when I say that the administrator of this act tells me that in accordance with their best calculations and their intimate cooperation with the British, that the British contribution to us under lend-lease is now crowding \$1,000,000,000 in value \* \* \*.

That was 1 year ago, and now, a year later, it is only \$1,500,000,000 which to me proves conclusively that the rate of lend-lease in reverse is slowing down rather than expanding. If that is not correct, then my arithmetic is abominable.

Mr. Cox. At the time that statement was made by Mr. Wadsworth, as I understand it, there were no accurate figures available in any detail from any of the British Commonwealth countries. So it was a very, very rough estimate. In contrast to that the figure of one and one-half billion dollars to September 1943, is a very conservative estimate, because the latest figures of the United Kingdom are not yet in and are expected in within the next few days. As to the rate of increase, in places where we have the figures, take Australia, for example, the expenditures through September 1943 were approximately \$256,000,000, and the budgeted amount for the next fiscal year alone is \$325,000,000. So where figures are available it is quite apparent that there has been a material increase for Australia and New Zealand. That is where we have accurate figures to September 30. As soon as we get accurate figures to September 30 for the United Kingdom we will know what the rate of increase will be.

We have no figures showing what the rate of increase is at the present time.

Mr. MUNDT. If the rate of increase has been going up for Australia and New Zealand, the accumulated totals have only increased \$500,000,000, so that it might go up in New Zealand and Australia and yet go down for the United Kingdom.

Mr. COX. You assumed a base of \$1,000,000,000.

Mr. MUNDT. I did not assume it, I took it from the figures that you gave me. We tried very hard in this room a year ago to get something from your Mr. Stettinius and the rest of your fellows. We wanted them to give us a definite amount. They said, as you say today, that a definite figure was not available. So we had to accept tentative figures, and it was not until the day that lend-lease came up for a vote that Mr. Stettinius whispered in Mr. Wadsworth's ear the fact that it was \$1,000,000,000. I comment that it is very unfortunate the information came to the committee piecemeal and that only one member knew about it, and certainly we had no basis to dispute the authenticity of the statement.

It seems bad policy to parcel out information to one member of the committee instead of giving it to the whole committee, but those were the figures we had to base lend-lease on the last time it was before Congress. One billion dollars, and unless those figures are wrong or unless the figures are wrong today, lend-lease in reverse must have decreased rather than increased.

Mr. CROWLEY. You are assuming those figures as of this day. That is as of last September.

Mr. MUNDT. Only 4 months ago.

Mr. JARMAN. In view of the fact that you told Mr. Wadsworth in March 1943, I believe it was March, since at that time it was about \$1,000,000,000, and it had been in operation then 2 years.

Mr. COX. That is right.

Mr. JARMAN. Six months later, in September 1943, it was one and one-half billion dollars.

Mr. MUNDT. Reverse lend-lease did not start the first year; they did not have any reverse then.

Mr. JARMAN. It is literally a 2-year period against 6 months.

Mr. CHIPERFIELD. Do you recall, Mr. Mundt, how large a force they said would be necessary in order to secure these figures?

Mr. COX. In order to keep accurate figures on it it would require about half a division. The committee was very helpful in showing an interest in these figures. We were very interested in getting the figures. The figures which were given Mr. Wadsworth were the best guess on the information then available. Now, what has happened since then?

The United Kingdom expenditures were reported to Parliament. They have not attempted to value reverse lend-lease aid. All they show is that out of the United Kingdom Treasury has been spent so many pounds sterling to procure potatoes, bread, or whatever is made available for our forces. All figures now are more or less estimates and all we can present is what can reasonably be obtained without taking time off from war to go through complex valuations.

Mr. MUNDT. These figures of one and a half billion dollars are your figures and not those of the United Kingdom?

Mr. Cox. They are based on figures we have received from the British and to a minor degree on rough figures gotten up by our armed forces where no figures are supplied us. The services also keep records of what they receive.

Mr. MUNDT. You say you are not bound by the United Kingdom figures. Are you bound by them?

Mr. Cox. They are not final valuation figures and the Allies understand that. No one as far as I know knows what the terms of final settlement will be.

Mr. MUNDT. That is right; but you did use the same system of computation September 30, 1943, that you used when you gave Mr. Wadsworth the figure of \$1,000,000,000.

Mr. Cox. No. In March they did not have the British expenditure figures nor did we have by any means the complete figures from the armed forces that we have now. That is why I say it was an estimate based on far less accurate figures than we have now. I think the committee was helpful in seeing that more detailed and accurate evidence for making these estimates was obtained.

Mr. MUNDT. I think we should all agree on that but I think while Mr. Stettinius did a good job, lend-lease as an administrative agency should have figures to convey to Congress and convey them to this committee, so that we would have them in this hearing, because it is highly confusing to a committee of Congress to have a member get up and say it is \$1,000,000,000 in lend-lease, I have some new information. And now we come and we find that it was not a billion dollars, but an estimate. As I said, I do not want to approach my duties looking through a keyhole. You can see it results in confusion. All I have before me is the arithmetic, and if the arithmetic is wrong my conclusions are wrong, but if the arithmetic is right in both instances my conclusions are absolutely correct. I do not want to go behind that. I do not question anybody's motive or integrity, but that was my basis for assuming lend-lease in reverse was coming to us through a funnel with a constantly diminishing stream.

Chairman BLOOM. Do you wish to ask any questions of the witness, Mr. Jarman?

Mr. JARMAN. I have no further questions.

Chairman BLOOM. Do you wish to ask any questions, Mr. Gordon?

Mr. GORDON. I have no questions.

Chairman BLOOM. Do you wish to ask any question, Mr. Jonkman?

Mr. JONKMAN. Mr. Crowley, I note total expenditures under the total lend-lease approximates \$20,000,000,000 at the present time. \$10,000,000,000 is war material; \$4,000,000,000 is for industrial; \$2,500,000,000 each for food and services. Now, I have heard a great deal about lend-lease totaling in the neighborhood of \$60,000,000,000 to \$70,000,000,000. I do not see anything of that other \$40,000,000,000 in the report, as I recall. Now, is that true that there are some forty billion-odd dollars which had been the subject of lend-lease either by the Army or the Navy or in some other way.

Mr. CROWLEY. Insofar as I know, the act provides for the appropriation to be made by Congress and it is administered by the F. E. A. Now, certainly, Congressman, I would not be a party to deceiving



this committee or using bookkeeping methods that did not give this committee the complete picture of what we were doing in lend-lease. I would be the first one to come to you and tell you of any difficulties which might arise. I think that the integrity of the whole Government gets involved if you question whether we have the right to spend \$6,000,000,000, and through some device I spend \$12,000,000,000, and I certainly would not do that.

Mr. JONKMAN. That does not answer the question.

Mr. CHIPERFIELD. Will you yield at this moment?

Mr. Cox. There has been in general discussion, both on the floor and otherwise, some confusion on the specific point you mention. I think the confusion occurs in this way: There has been about \$20,000,000,000 worth of aid spent under lend-lease up to January 1, 1944. There have been appropriations totaling \$24,683,000,000 directly to the President for lend-lease aid; there have also been appropriations to the War and Navy Departments and Maritime Commission which specifically provide that supplies up to a certain stated total amount can be transferred under the terms of the Lend-Lease Act. Now, the theory of those appropriations was that in ordering common items; that is, the same kind of a gun or the same kind of a plane or the same kind of a tank, you would not know until they were finished whether they ought to be put in the hands of our own armed forces or in the hands of our allies. Thus you have preserved flexibility in accordance with the determination of the Combined Chiefs of Staff and the Munitions Assignment Board. Then you can create that flexibility for those items up to a stated amount of \$35,000,000,000. If you just arithmetically add those two figures together you will get as you say, some \$60,000,000,000, and that is summarized on one of the charts.

Mr. CHIPERFIELD. Will the gentleman yield at that point? I believe the chart on page 15 shows the illustration very clearly and covers the situation that you just referred to. What I would like to know is: Would this amount for lend-lease, be allocated from the War Department and the Navy Department in addition to direct appropriations, be represented by this small square in the corner as of November 30, 1943?

Chairman BLOOM. The answer to that will be placed in the record.

Mr. JONKMAN. That does not answer my point. Do not the lend-lease administrators keep a record of what items there are?

Mr. Cox. Yes. Any transfer made by the Army, the Navy, or the Maritime Commission or any other department or agency, whether out of direct lend-lease appropriations, or appropriations to other Departments or agencies, is included in the report to Congress. There is a complete record kept of all those transactions.

Mr. JONKMAN. Getting at the question asked by Mr. Chipperfield and those charts, you show that 14 percent of our expenditures are lend-lease. If you get those forty-odd billions in there and bring it up to 60 or 70 billions then this is very largely increased, is it not?

Mr. Cox. No, that 14 percent figure includes everything which has been transferred under the Lend-Lease Act; that is, including transfers from direct appropriations to the War and Navy Departments, and so forth. The 20-billion figure of Lend-Lease is 14 percent of our total war expenditures, and that includes lend-lease coming from all sources, whether from direct appropriation or appropriation to the Navy, the Army, or the Maritime Commission.



Mr. JONKMAN. I am more confused than ever. Just a minute. 14 percent would be about one-seventh, wouldn't it?

Mr. COX. Yes.

Mr. JONKMAN. Seven times \$20,000,000,000 would be \$140,000,000,000.

Mr. COX. Right.

Mr. JONKMAN. I assume that is about correct.

Mr. COX. The \$20,000,000,000 is the amount from March 11, 1941, to January 1, 1944, a period of almost 3 years and the war expenditures for that nearly 3-year period were about \$140,000,000,000.

Mr. JONKMAN. For that whole period?

Mr. COX. Yes.

Mr. JONKMAN. That is right, then, but if you are going to break it up and say it includes about 10 billion lend-lease and it includes \$70,000,000,000, that would run much higher. Maybe I am all wrong.

Mr. COX. No; the amount of aid which has been transferred is \$20,000,000,000. The "transfer authority" which you have may not be used at all, it may be decided munitions, provided out of War Department appropriations, should be put in the hands of our own soldiers. In most instances this is the case. You do not count the actual item "lend-lease" until something is turned over to your Ally. If it is not turned over you would not want to charge it to the ally. That does not say so much will go to our allies. What is included is what was actually turned over to our allies since the beginning of the program to January 1, 1944, and that is approximately \$20,000,000,000 of supplies and services, and that figure is about 14 percent of our total war expenditures.

Mr. JONKMAN. Well, I certainly do not follow it.

Mr. COX. Maybe Mr. Chipfield can explain it better than I can.

Mr. CROWLEY. Congressman, may we have one of our men sit down with you and answer any questions and put it in the record?

Mr. JONKMAN. Yes.

Chairman BLOOM. Wouldn't that be getting information "through the keyhole"?

Mr. MUNDT. But it would get it in the record.

Mr. JONKMAN. If you have lend-lease close to \$70,000,000,000 then you have to bring your war expenditures up to \$490,000,000,000 in order to make that 100 percent.

Mr. COX. Lend-lease aid totals \$20,000,000,000.

Mr. JARMAN. That \$20,000,000,000 includes, as I understand, anything from the Army, the Navy, or the Maritime Commission.

Mr. COX. That is the total.

Mr. JARMAN. It shows a total appropriation to lend-lease of \$24,000,000,000?

Mr. COX. That is right.

Mr. JARMAN. Then there must be a considerable balance unused of that \$24,000,000,000, isn't there, unallocated?

Mr. COX. Unallocated is about \$2,000,000,000; unobligated is between three billion or four billion dollars, and unexpended is probably \$6,000,000,000. Expenditures follow after the contracts are made, and payments are due.

Mr. JARMAN. The 20 billion, is that expenditures or "obligated"?

Mr. COX. That is the actual value of the supplies turned over.

Mr. JARMAN. That is, then, the expenditure?

Mr. COX. Not exactly.

Mr. JONKMAN. Where does that figure in lend-lease come from?

Mr. COX. This is in your binder [indicating]. The Congress in the War, Navy and Maritime appropriations conferred power to transfer munitions and supplies up to the amount of \$35,000,000,000, if it was decided in accordance with the determinations of the Combined Chiefs of Staff and the Munitions Assignment Board that supplies should be turned over to our allies; they do not have to be turned over.

The War Department buys a P-40 plane which can be used by the United States Air Forces, the Royal Air Forces, or the Soviet Air Forces. No decision is made as to where those planes go until pretty close to the time when they are finished. Then in accordance with the decisions of the Staff, they may decide that of a month's production of planes, 90 percent go to the United States and 10 percent go to Russia, for example. Now, when the transfer is actually made under the assignment of the Munitions Assignment Board, then it is recorded as a lend-lease transfer which is authorized by the particular War, Navy, and Maritime appropriations. Now, if none are turned over there is no charge made against lend-lease, not for any plane; there is authority in those appropriation acts within the full limit to turn over \$35,000,000,000 worth of supplies procured by the Army, Navy, and Maritime Commission. Now, actually probably about \$4,000,000,000 worth of supplies in a total of 20 billion have come out of direct appropriations to the War, Navy, and Maritime Commission, but there has not been \$60,000,000,000. If you want to make it accurate, you have authority to go up to approximately \$60,000,000,000 of appropriations but as an actual fact the transfer authority has not been used up to that point. It has been used with the appropriations administered by the F. E. A. up to the point of \$20,000,000,000, and that takes you up to January 1. Now, as to what extent the transfer authority will be used in the future nobody knows until you know what the strategic decisions will be. They may not be used. They may be used by our own armed forces, if the conditions dictate that.

Chairman BLOOM. The Chair was going to say to Mr. Jonkman, if you will permit: I think Mr. Crowley knows just about what figure you would like to have, and I think you can have that furnished before the next meeting on Tuesday morning.

I have received a request to have all members turn in their books so that they can be corrected and additional information inserted, so that you will have that in time for the next meeting.

Mr. MUNDT. Mr. Chairman, how about keeping the books and sending us supplemental data? I would like to use my book over the week end, and of course I would like to have the supplemental data.

Chairman BLOOM. I will let you use my book and then we can have yours corrected. I would like to have all books corrected. The Chair would like to suggest to the members here that they send their books over here so that we will have them this afternoon, and they can then be corrected.

Mr. JONKMAN. I want to make my position clear. The original lend-lease defined the defense articles, and it is so broad that there is scarcely any article of defense or offense which is not included. Then the original act provides that the President is hereby empowered to authorize the Secretary of War or the Secretary of the Navy to sell,

lend-lease, extend, transfer, or otherwise dispose of any defense article. That means that the President can dispose of everything we have, bar nothing, because in total war everything is a defense article. Then Congress at that time put a limitation upon that provision and said that the President could not dispose of more than \$1,300,000,000, I think, of goods which had not been appropriated for under the War Act. In other words, now there are two methods of lend-lease. One is those especially flowing from appropriations made by the Congress. That is the \$24,000,000,000. The President can still lend-lease other articles without any appropriation, anything we have except within the limits of \$1,300,000,000, that is for 1 year.

I want to know whether all these \$20,000,000,000 are under appropriations, or do they include the articles that can be lend-leased outside of the appropriation?

Mr. Cox. You are right; the original Lend-Lease Act provided that up to the extent of \$1,300,000,000 worth of supplies, with the approval of the Chief of Staff and the Chief of Naval Operations, could be transferred to lend-lease countries in addition to the appropriations. Then when Pearl Harbor came the Congress in its wisdom, and I think it was very wise, passed certain appropriation language after full consideration of the fact and the history of the original Lend-Lease Act. In effect, they knocked out the \$1,300,000,000 limit. They put in the War Department appropriation the specific appropriation language and by congressional action this power to transfer supplies was conferred.

Mr. JONKMAN. I read this statement which I enjoyed very much, and I think it is a very fine statement that you have furnished us, and as I see, there is no mention of any further lend-lease items than just under the appropriations.

Mr. CHIPERFIELD. Will the gentleman yield?

Mr. JONKMAN. Yes.

Mr. CHIPERFIELD. In this paper here [indicating] in which there are no pages marked, under a heading of "Amount of lend-lease authorized" there is a note:

In addition to the foregoing Congress has set certain limitations, authorized the lease of ships of the Navy and Naval ships \* \* \* of these appropriations for Army and Navy.

Mr. Cox. That is just about the same statement in the appropriation.

Mr. CHIPERFIELD. It goes on to say that does not mean transfer up to a stated amount would necessarily have to be made. All it means is that there is sufficient flexibility for the assignment of supplies where they will do the most good in winning the war.

Mr. JARMAN. You said what you wanted to know was if all that \$20,000,000,000 had been appropriated. That was your question.

Mr. JONKMAN. My question was whether all lend-lease articles are included in the \$20,000,000,000 or whether we have lend-lease amounting to \$60,000,000,000, or \$70,000,000,000.

Mr. Cox. Mr. Yonkman, everything transferred under lend-lease is included in the \$20,000,000,000.

Mr. JARMAN. I wondered if the whole \$20,000,000,000 was appropriated; actually about \$35,000,000,000 has been appropriated, although very little of that 35 billion has been used.

Mr. COX. For transfer.

Mr. JONKMAN. That answers my question. That actually has not been lend-leased so when they say 60 billion or 70 billion, it is wrong?

Mr. COX. That is the total amount which was authorized to be spent for lend-lease purposes but actually only \$20,000,000,000 has been spent.

Chairman BLOOM. I think this is a good time to recess.

The committee stands adjourned until next Tuesday morning at 10:30 o'clock.

(Thereupon the committee adjourned to meet on Tuesday, March 8, 1944, at 10:30 a. m.)



## EXTENSION OF LEND-LEASE ACT

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TUESDAY,<sup>1</sup> MARCH 7, 1944

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, D. C.*

The Committee on Foreign Affairs met in the committee room, the Capitol, at 10:30 a. m., Hon. Sol Bloom (chairman) presiding.

Chairman BLOOM. The committee will kindly come to order.

The committee has under consideration H. R. 4254, which is the extension of the lend-lease, and we have the pleasure of having with us this morning Col. Spencer B. Eddy, G. S. C., office of the general purchasing agent of the United States Army forces in the Far East.

Colonel Eddy, do you want to add anything to the statement of the Chair with reference to your position with the Government, or do you think that covers it all.

Colonel EDDY. I think the statement tells it pretty thoroughly, Mr. Chairman.

Chairman BLOOM. Do you have a statement which you desire to read?

Mr. MANSFIELD. Mr. Chairman, I would like to know if Mr. Crowley will be on the stand again.

Chairman BLOOM. Yes; I am waiting for Mr. Jonkman, because he was questioning Mr. Crowley at the adjournment of the last meeting and I thought since Mr. Jonkman is not present at this time that we would have Colonel Eddy proceed with his statement and put Mr. Crowley back on the stand after that. Will that be satisfactory for your purpose, Mr. Mansfield?

Mr. MANSFIELD. That will be satisfactory.

Chairman BLOOM. Proceed, Colonel.

### STATEMENT OF COL. SPENCER B. EDDY, G. S. C., OFFICE OF THE GENERAL PURCHASING AGENT, UNITED STATES ARMY FORCES IN THE FAR EAST

Colonel EDDY. Mr. Chairman and members of the committee, I have been in Australia some 2 years and have just returned. At the time I left Australia I did not know that I was to have the privilege of addressing this committee. I use the word "privilege" advisedly. I do not know whether it is a pleasure until after the committee finishes questioning me.

Chairman BLOOM. Neither do I, so go right ahead.

Colonel EDDY. I make the point clear about not knowing I was to testify so that it will be entirely understood that the remarks I make are my own opinions and that I am not speaking officially for General MacArthur or any of my superiors in his command.

My work in Australia has been in the office of the General Purchasing Agent. I have held various capacities in that office. For something over a year I was executive officer. During the last few months I have been Acting General Purchasing Agent. The General Purchasing Agent today is Col. Paul W. Johnston, who is now on leave from the Erie Railroad, of which he is the assistant vice president in charge of operations and maintenance. If I remember correctly, he is on leave of absence during the course of the war. The office of the General Purchasing Agent functions as a part of the headquarters of the United States Army Forces in the Far East, and through this headquarters reports to Maj. Gen. Richard J. Marshall, Deputy Chief of Staff to Gen. Douglas MacArthur, the commander in chief, Southwest Pacific Area.

Chairman BLOOM. May I interrupt there, Colonel?

What was your position before you entered the Army?

Colonel EDDY. I was a country judge from up-State New York.

Chairman BLOOM. Why do you designate yourself as a country judge from up-State New York?

Colonel EDDY. Well, I was a county judge of Saratoga County, N. Y.

Chairman BLOOM. Why do you designate yourself as a country judge?

Colonel EDDY. Sometimes we do things differently in the country, and particularly in Saratoga.

Chairman BLOOM. How long were you a county judge?

Colonel EDDY. I had been on the bench 2 years, when I entered the Army, I think.

Mr. JOHNSON. What kind of a court was it—a trial court?

Colonel EDDY. A county court of civil and criminal jurisdiction.

Chairman BLOOM. Proceed.

Colonel EDDY. Now, the office of the general purchasing agent is charged with the procurement of all supplies within the theater—supplies not only for the Army, but for the Navy and the Marine Corps. To carry out that job we have offices in the principal cities of Australia and in New Zealand. In the smaller cities we have part-time men. In regard to the political arrangement of Australia, while Canberra is the capital, as you know, some of the governmental departments, in fact, many of them have not moved to Canberra. While the capital and the heads of the Government are at Canberra, a number of the governmental offices are in Melbourne and others are in Sidney, the two centers of Australian industry. I happen to know that there is somebody from Australia here, and I make this statement with some temerity, but the center of Australian industry is largely in Sydney and Melbourne.

The general purchasing agent carries out our job of procuring supplies and services under the reciprocal aid agreement with Australia and the over-all policy directives laid down by the Foreign Economic Administration and the War and Navy Departments. The fundamental policy under which we operate is clear, and that is—and when I use the word “we” I mean the office of the general purchasing agent—

Mr. JOHNSON. Which is the War Department?

Colonel EDDY. Which was set up jointly by the War and the Navy Departments. The fundamental policy is clear, and that is, the job of the general purchasing agent is to get every available bit of sup-

plies locally that we can, both for the obvious reason of saving shipping space and the equally obvious reason of utilizing the products of the country where we are.

The method of operation under the policy which has been adopted here is the obtaining of those supplies under what we call reverse lend-lease, reciprocal aid, mutual aid, or whatever you want to call it. Now, the way that works is something like this: The way I have outlined the procedure in my prepared statement is probably a little simpler than it actually is, but that contains the fundamental outline. One of our services, we will say the engineers—

Mr. JOHNSON (interposing). Mr. Chairman, I presume the statement will be incorporated in the record so that we will have the benefit of it.

Chairman BLOOM. Yes, sir.

Colonel EDDY. One of our services, we will say the engineers, wants some materials to build a bridge. They may have located a source of manufacture or they may not have. They come to us and they tell us what they want. We prepare a paper, or they prepare a paper, which is called a contract demand, and we take that to the appropriate Australian agency, and we say, "This is what we want, this is what we need." If we know the sources from which it can be obtained, we indicate it. In the last analysis the Australian Government selects the supplier. I think it is entirely proper that they should. They are paying for it, and they have a right to say whom they will pay their money to. If we have not located a source of supply the Australian Government goes out and tries to locate one for us, and then they give us the goods. Of course, that sounds very simple, and it is very simple in theory.

Chairman BLOOM. Do they order the goods, Colonel, or do you order the goods?

Colonel EDDY. They order the goods. We say we want so many pounds of beef or that we want so many pairs of shoes, or whatever it is that we want.

Chairman BLOOM. And it is satisfactory to the Australian Government?

Colonel EDDY. The Australian Government then says "We will give it to you." They give us their commitment. They go on and get a supply by making a contract with the suppliers. Then the supplier turns the goods over to us and when we get it, we sign a receipt which the supplier takes back to the Australian Government and the Australian Government pays it.

Chairman BLOOM. Do you mean to say they give it to you?

Colonel EDDY. I say "give" in the sense that we get it. Probably "give" is the wrong word to use. They procure it for us and turn it over to us.

Chairman BLOOM. Who pays for it?

Colonel EDDY. The actual cash expenditure which is made is that of the Australian Government.

Chairman BLOOM. That is what you would term, Colonel, as "lend-lease in reverse"?

Colonel EDDY. That is right.

Mr. JOHNSON. Colonel Eddy is illustrating lend-lease in reverse in Australia.

Chairman BLOOM. Yes.



Colonel EDDY. Yes. Of course, that sounds comparatively simple.

Digressing a moment from the statement, we have got a problem in Australia the same as you have here. There are a lot of limited controlled items in short supply and you may have to go through a lot of Australian agencies to get releases on materials, releases on manpower, approval of this, and approval of that. That is our job too, but in essence our system is this, the Army and the Navy determine what it is that they need. They come to us with their needs. The office of the general purchasing agent acts as their procurement agency with the Australian Government. The Australian Government furnishes what we need and the Australian treasury pays for it.

Chairman BLOOM. Pardon me. Do you keep track in dollars and cents of the value of the goods that you get in reverse lend-lease?

Colonel EDDY. Primarily; we keep track of the quantities of goods that we receive. The Australian Government pays for them. Therefore it is not always possible for us to know the price which has been paid. We get copies of contracts which the Australian Government makes with the contractors who are manufacturing goods for the use of the United States forces, so that by the use of their contracts we have a very rough check on the amount of expenditures.

Chairman BLOOM. Well, then, the contract calls for so much money, does it not, whether it is in pounds or dollars?

Colonel EDDY. That is right.

Chairman BLOOM. Incidentally, you have an idea of what the value of those goods are that you get in reverse lend-lease?

Colonel EDDY. Yes, decidedly so. There are a few exceptions, however, and let me clear that up.

Suppose the Australian Army has something we need. We requisition directly on them and they turn over to us, let us say, for example, airplane bombs. We do not have access to the records to ascertain how much those airplane bombs cost. We can make an estimate and we know what the general over-all cost is. I do not want the committee to understand that we have no idea of what we are getting or how much it costs, because we have. We have a very good idea. But when it comes to an accurate audit, we rely on the figures of the Australian Treasury.

Chairman BLOOM. But you do have some idea as to the cost in dollars and cents? Of course, the committee understands that the details cannot be kept, but you do have a fairly good idea of what the Government of the United States is receiving in reverse lend-lease?

Colonel EDDY. We have an absolutely correct record of what we have gotten in goods, and an approximation of what we have received in dollars. On individual items I think I could tell you substantially what any individual item cost. Does that answer your question?

Chairman BLOOM. Yes; of course I do not think the committee or the Congress is so much interested in the individual items as they would be interested in the sum total of the amount of reverse lend-lease we have received from the Australian Government, or any other government out there; that is the sum total.

Colonel EDDY. To give the committee an idea on this point: This [indicating book] is a secret document which we are required to prepare every 3 months and submit to the War Department. It contains a list of items received during the last quarter for which we



reported. It covers every item of goods which we obtained in Australia.

Mr. JOHNSON. You obtained it from the Australian Government in Australia? You obtained all those items from the Australian Government?

Colonel EDDY. That is right.

Mr. JOHNSON. And we paid nothing for them?

Colonel EDDY. That is right; it was reverse lend-lease.

Chairman BLOOM. What do you get in reverse lend-lease that you cannot very well keep an account of, the same as an account like you have just showed the committee? For example, you get the use of buildings, warehouses, and the like?

Colonel EDDY. That is right.

Chairman BLOOM. And perhaps hotel and offices.

Colonel EDDY. That is right.

Chairman BLOOM. Now, how do you keep an account of that in reverse lend-lease? You would have to pay for it if you did not get it from the Australian Government.

Colonel EDDY. The method of accounting of that is that the Australian Government pays the rent to the owner of the building and then they periodically submit to us the figures which they have entered on their books as the amount they have spent for us.

Mr. JOHNSON. For every item?

Colonel EDDY. For every item; and as long as this question is up, I would like to be clear on one point.

In the Office of the General Purchasing Agent we interpret our job as to get the utmost in supplies and services that we can get in Australia. We do not regard it as part of our function to enter into any agreement with the Australian Government as to what the charges between the two countries are to be. We keep records, of course, of what we are getting; it is necessary to do it. But to our mind the settlement of the accounts between the two countries is a function which belongs very much higher than our function in the field. The items which the Australian Government enters on their books are the expenditures which they have made on our behalf. We do not intend to question or audit those figures or to reach an agreement as to what is the proper contribution of Australia or the proper contribution of the United States as far as settlement is concerned. That is not our function. That gets into pretty high policy.

Chairman BLOOM. In other words, you order the goods that the Army and the Navy needs, is that right?

Colonel EDDY. That is right.

Mr. JOHNSON. As mechanically as possible?

Mr. CROWLEY. Mr. Chairman, for the benefit of the committee I should like to interpolate at this stage of the discussion that the Australian Government acts as a procurement agency for reverse lend-lease just as we act as the procurement agency for our lend-lease. Now, just the same as we report to other nations our costs of lend-lease, so our Army receives reports of the costs of reverse lend-lease and keeps an account of what it has received. But, the over-all policy on the character of lend-lease and reverse lend-lease aid to be provided and any questions relating to settlement are determined not by the Army but by the F. E. A., the State Department and the President.

Chairman BLOOM. The witness is speaking now from the Army standpoint as a procurer rather than from the standpoint of lend-lease.

Colonel EDDY. I am very glad Mr. Crowley cleared that point up and to reemphasize it, insofar as we are concerned, we are not the accounting agency of the Government. Our job is to get the stuff.

Mr. JOHNSON. You represent the Army and the Navy?

Colonel EDDY. We represent the Army and the Navy.

Chairman BLOOM. Go ahead.

Colonel EDDY. We represent the Army and the Navy as adequately as we can and we get as much as we can.

Mr. JOHNSON. Mr. Chairman, I wonder if the statement contains a list of the principal goods that we get from Australia. I have not read it, but if Colonel Eddy could tell us briefly what are the goods or commodities that we principally get in Australia that would be of interest to all of the committee.

Chairman BLOOM. Do you want him to read the list for the record?

Colonel EDDY. You saw that document. That contains a list of the various items which we get and that book contains what we got over a period of 3 months, so that you can see the variety of articles is very considerable. Now, in the statement I have listed a number of items. We have gotten everything from airplanes to xylophones; we have gotten all sorts of things that you would never imagine an Army would want. For example, just a couple of weeks ago on reverse lend-lease from Australia we got 300 mice.

Mr. JOHNSON. What did you do with them?

Colonel EDDY. I want to make it quite clear that it had nothing to do with the manpower shortage. They were procured for use in a hospital. Another item which I think might not ordinarily be regarded as necessary for the use of an army was the procurement of some gold-lipped seashells in Australia. They are used as currency by a tribe in one of the island. I am a little ashamed to confess to the committee that we got them in Australia and shipped them north to our troops. They were used by one of our landing forces very effectively in winning the assistance of the natives in the landing. I am still further ashamed to say that as a result of that inflation has reared its ugly head on that island. [Laughter.]

Chairman BLOOM. Colonel Eddy, may I ask this further question for the record. You are speaking now of the facilities of Australia?

Colonel EDDY. Yes, sir; that is right.

Chairman BLOOM. Do you get anything from New Zealand?

Colonel EDDY. Yes, sir; we do.

Chairman BLOOM. I would like to have you state for the record the different places that you trade with outside of Australia.

Colonel EDDY. New Zealand is under the separate command of Admiral Halsey. However, we have an arrangement under which we have sent to these forces in New Zealand a number of items, particularly emergency items. We send coal to New Caledonia, for example. The big item which we have sent to Admiral Halsey's forces have been certain types of foodstuffs. In return, from New Zealand we got a number of miscellaneous items. We have received a very considerable number of ships which they built. In addition, we got a number of items from the British Empire, as, for example, cocoa and tea; Hessian cloth from India; certain types of stencils which are so necessary for multigraph work.

Mr. CHIPERFIELD. You stated Admiral Halsey received some food-stuffs. Was that under lend-lease?

Colonel EDDY. It is reverse lend-lease.

Mr. CHIPERFIELD. Reverse lend-lease?

Colonel EDDY. Yes, sir.

Chairman BLOOM. I might say to the members of the committee that these documents here which are marked "Confidential," the heading on each separate sheet says "Summary report under reciprocal aid," so that is just what this is for, and that tells the story about as well as anything else, and they they go on and itemize the articles, and also the price. There are some things here which are carried in detail. There is an item here of, say, \$894, and right under it is an item for 40 cents for one article, so I think they are very thorough in everything they do. Here is one item of \$1,700, and under it another item is for \$107.07. If anyone of the committee wants to look at this book they are privileged to do so. It is confidential, and it is not to be included in the record.

Mr. CHIPERFIELD. Of course, Mr. Chairman, we have to remember that the price paid for many of those articles doubtless was very much lower in Australia than the same product would sell for in this country, take wool, for instance.

Colonel EDDY. That is true. There is one item which I think I mentioned in my statement. We have a commitment this year from Australia for 1,000,000 blankets. That blanket is substantially the same as the blanket which is made for our troops in the United States. It costs three times as much to make that blanket in the United States as the Australian Government pays for it. There are also additional advantages in getting the blankets in Australia; the time element, and shipping space have to be taken into consideration; and also, unfortunately, there is something else which we have got to consider, which is the factor of loss on the way over.

Chairman BLOOM. Of course that charge is on the reciprocal lend-lease based on the Australian price and not the American price?

Colonel EDDY. That is right, sir.

Chairman BLOOM. In other words, we get the benefit of that low cost of manufacture of these blankets on account of their being manufactured in Australia?

Mr. JOHNSON. Mr. Chairman, I would like to call attention to this part of Colonel Eddy's statement on page 12. I think it is an item in the statement that ought to be stressed, and that is where he says:

By and large, Australia is feeding our troops out there. In 1944 we will receive between \$150,000,000 and \$200,000,000 worth of food from Australia. We have a firm commitment for over 250,000,000 pounds of meat; we expect to get more.

Is that for 1944?

Colonel EDDY. That is for 1944; yes, sir.

Mr. JOHNSON (reading):

There'll be hundreds of thousands of tons of fruits and vegetables and other items.

That relates to food raised in Australia?

Colonel EDDY. Yes, sir.

Mr. JOHNSON. I knew about meat that they have been selling [reading]:

But this food isn't there ready and waiting to be shipped to the troops in the islands. It has to be grown and it has to be canned or dehydrated and it has to be



packed and shipped. That is where we come in. We have agricultural experts with the United States Army in Australia, who help plan the crops to be grown. Under lend-lease we furnish the seed for many of the crops and furnish many of the agricultural implements to help raise them. We also have experts on canning and dehydration, and we have supplied canning and dehydration machinery and tin plate to carry out the program. The excellent relations that our subsistence representatives have with the Australians is a great tribute to their tact and to the Australian desire to cooperate and feed our troops.

Food is really one of the principal things that we get under reverse lend-lease.

Colonel EDDY. Food is one of the principal things.

Mr. JOHNSON. What would you place next in importance?

Colonel EDDY. Well, sir, there is a general break-down on page 4 of my statement as to the total value of the different categories of products furnished us.

Mr. JOHNSON. I suggest, Mr. Chairman, that Colonel Eddy read that pertinent information at this time.

Mr. BURGIN. Mr. Chairman, are we going to have the entire statement read?

Chairman BLOOM. You can ask any questions, or interrupt at any time. Was there anything special you wished to inquire about, Mr. BURGIN?

Mr. BURGIN. No; but I think questions might not arise if he read the statement.

Mr. JOHNSON. I thought to save time the statement would be incorporated in the record, that he would kind of review it, and then we would ask any questions. Is that what you contemplated?

Mr. MUNDT. I understand the witness is going to answer Mr. Johnson's question by reading from page 4 of his statement.

Chairman BLOOM. Colonel Eddy, will you read that part of the statement which Mr. Johnson spoke to you about?

Colonel EDDY. Yes, sir. We have worked out a system of forwarding and planning all of our requirements. You will appreciate that in a war you cannot plan exactly. In fact, it is the sort of planning like when your wife is going to need a new hat. You never really know.

Mr. JOHNSON. She knows.

Colonel EDDY. At least she tells.

Chairman BLOOM. Colonel, I do not see why you bring that up here now.

Colonel EDDY. We have submitted our estimated requirements to Australia for the year 1944 and have given them these requirements rather than buying hand to mouth, as we did in the early days. Buying hand to mouth was not economical, but we had to do it. Now that we have the system worked out we tell them how much we will need for our estimated troop strength for the coming year. They then make firm commitments of what they can furnish out of their economy. That gives us an opportunity to do two things: It gives us an opportunity to requisition what we will need from the United States and it also gives us an opportunity to report to the War Department so that they can consider Australian production in determining the supplies that will have to be produced in the United States.

The present rate of reciprocal aid from Australia to the United States is something in excess of \$1,000,000 a day. That is figured on the basis of the Australian pound at \$3.228 which is the fixed standard rate of exchange.



Mr. JOHNSON. I suggest, Colonel, that you read the entire paragraph beginning with "Australia is providing," etc.

Colonel EDDY. Australia is providing reciprocal aid to the United States forces in a generous and courageous spirit. Today we are getting goods and services from Australia under reciprocal trade at the rate of a million dollars a day—and this from a country of only 7,000,000 people. Australia put 100,000,000 pounds, that is \$323,000,000, at the present rate of exchange, in its budget for reciprocal aid for the fiscal year ending June 30, 1944, but its constantly increasing expenditures for this purpose are running in excess of that amount. Total Australian expenditures for reciprocal aid up to December 31, 1943—based on figures supplied by the Australian Treasury—were over 112,000,000 pounds, or approximately \$362,000,000. The split-up by categories is as follows:

1. Stores and provisions.....	\$95, 121, 126
2. Technical equipment.....	8, 228, 635
3. Motor transport.....	31, 478, 666
4. Aircraft stores and equipment.....	35, 441, 899
5. General stores.....	43, 371, 448
6. Transportation and communication.....	28, 926, 414
7. Shipping.....	23, 280, 157
8. Works, buildings, and hirings.....	92, 990, 163
9. Miscellaneous.....	3, 526, 175

making a total of \$362,364,683.

I have used the going rate of exchange, \$3.23 to the pound, to estimate the reciprocal aid we have received. Actually much more has been received than could be bought with \$362,000,000 in this country. For example, as I mentioned, the million wool blankets we expect to get in 1944, will cost us \$2.64 each. The same item costs \$7.67 here, approximately three times as much. Many of the biggest food items cost only half as much in Australia as they do here. I will not belabor the point, but I do want the committee to understand that we are actually getting substantially more goods and services than the dollar figures indicate.

Australia set up \$323,000,000 in its 1944 budget for reciprocal aid, but it is spending in excess of this amount. I recall that the Department of Supply and Shipping was tentatively allocated in the budget something like £12,000,000 for the entire calendar year, but they accepted orders from us in the first 6 months of the fiscal year of £16,000,000, and they still have 6 months to go.

Mr. CHIPERFIELD. You are apparently satisfied that Australia is doing everything in her power to help us to win the war and to help us in reverse lend-lease.

Colonel EDDY. You know, Congressman, I am a little prejudiced on that question. I think, considering their resources, their great difficulties, and the size of the country, I think they are doing an excellent job.

Mr. CHIPERFIELD. I am glad to hear you say so.

Colonel EDDY. Now, certainly there are things that can be criticized. I suspect that probably when some of us sit around by ourselves over in Australia we do some criticizing. I would not be surprised if we criticized some things that we ourselves do. By and large, I think they have done an excellent job. I think they are trying to do a good job.

Mr. SCHIFFLER. Mr. Chairman, I think this statement is splendid. I think it is one of the very best statements I have had the pleasure of reading. I think it answers a lot of the questions that have been asked the Colonel. By reading the statement we will get answers to the questions we have in mind. Now, I am particularly interested in the statement that the Colonel made on the last page, page 17.

Mr. JOHNSON. Colonel Eddy, the figures you just gave cover what period?

Colonel EDDY. That covers the period up to December 31, 1943.

Mr. JOHNSON. The figures you gave represent the total amount of reverse lend-lease in Australia?

Colonel EDDY. Right, sir.

Chairman BLOOM. That is for all the time?

Colonel EDDY. That is up to the present time. Now, of course, the rate of expenditure has been stepped up decidedly lately.

Chairman BLOOM. Has the Colonel satisfactorily answered your question?

Mr. JOHNSON. Yes, sir; he has.

Mr. MUNDT. Colonel, I wonder, whether in your capacity of purchasing agent you procure any supplies or materials whatsoever from Australia for which you pay cash.

Colonel EDDY. There has been a limitation which prohibited anyone from paying over a thousand dollars in cash for any item in Australia without the permission of the General Purchasing Agent. There has been recommended, and I assume favorable action has been taken since I left, a regulation cutting the figures down to £100 which would be \$323.

Mr. MUNDT. And you have not granted any permission to spend over \$1,000?

Colonel EDDY. Yes, we have granted permission in some cases.

Mr. MUNDT. I thought you said you had not; that there were no purchases for the Army for which cash was paid.

Colonel EDDY. Oh, yes; I am sorry I misunderstood the question. There have been no procurements of over \$1,000 that we did not know about.

Mr. MUNDT. I was not questioning that; I was trying to determine whether the United States Army as an institution procures any supplies in Australia for which our Government pays cash.

Colonel EDDY. They pay cash for all items which cost less than £100. We have some emergency procurement and sometimes we require something in an area where the machinery is not set up.

Chairman BLOOM. What would that amount to in the aggregate? You have an item here of \$362,000,000 as the total amount, and what would it amount to of the purchases made by the Government for which cash was paid? That will be an answer to Mr. Mundt's question, as the sum total of that amount. If you cannot give the precise figure, give us an approximation.

Colonel EDDY. For the month of December the total cash expenditures for supplies—

Mr. JOHNSON. By our Government?

Colonel EDDY. In Australia, was about a half million dollars.

Mr. MUNDT. Is that the monthly average?

Colonel EDDY. With this qualification: In the early days, before the system was set up and finalized, there was a considerably larger

cash expenditure than there is now. It took some time to get the system working. It took some time for agreements to be worked out as to what we would get and more particularly how we would get it under reverse lend-lease.

Chairman BLOOM. The system of reverse lend-lease was not fully worked out at that time, but now it has been worked out so that you do not spend as much money as heretofore?

Colonel EDDY. That is entirely right. As a matter of fact, we were getting goods on reverse lend-lease from Australia before the reverse lend-lease agreement was signed. We had a great deal of mechanics to work out on the ground.

Mr. MUNDT. Would it be a fair statement of fact to say that the over-all cash purchases are becoming less and less from month to month?

Colonel EDDY. Yes, sir; very decidedly.

Mr. MUNDT. Just one other question, Colonel Eddy. Australia is peculiarly able to supply certain kinds of commodities the Army needs, not only in Australia but anywhere, such as blankets and beef. Does Australia supply any supplies under our lend-lease in reverse other than those used in the Pacific theater of war? Do they export blankets and meat over here that we use to assist in feeding our Army?

Colonel EDDY. There have been a few items, but I would prefer not to refer to them in open committee.

Mr. MUNDT. I do not care about any specific type of items.

Colonel EDDY. There have been some items, but they are not large.

Chairman BLOOM. Mr. Mundt, were you here when the colonel stated that they had placed an order for a million blankets?

Mr. MUNDT. Yes; I heard it.

Chairman BLOOM. And that the cost of those blankets will be one-third what it costs to procure them here?

Mr. MUNDT. Those blankets were to be used in Australia.

Colonel EDDY. Yes, sir.

Chairman BLOOM. They could be used any place.

Colonel EDDY. Any place we send troops.

Mr. MUNDT. In the Pacific theater? They are not exporting blankets to this country to supply our troops that may be going to England?

Colonel EDDY. No, sir.

Mr. SCHIFFLER. Colonel, following that inquiry out about wool, haven't we had large importations of wool from Australia?

Colonel EDDY. That is something I do not know about, sir, because that would not be within my section.

Mr. SCHIFFLER. That was not what I particularly wanted to ask you about. I was more interested in the statement you made on page 17 with regard to the manpower situation. You say:

Manpower in Australia is a lot tighter than it is in the United States. They have a larger percentage of people in uniform than we do. They have had to put manpower in new industries that didn't exist before the war. They have a large Allied army to supply. Indeed, the manpower situation has now reached a "robbing Peter to pay Paul" stage. The Australian War Cabinet has just ordered one Australian department to make 20,000 men available for other industries, particularly agriculture and forestry.

Just what formula is used to bring that about?

Colonel EDDY. I do not know the answer to that question. All I can say is that it is based on considered opinion of the Australian



War Cabinet, acting on the recommendation of their Government agencies.

Mr. CHIPERFIELD. Does that mean the abandonment of certain industries?

Colonel EDDY. That means the cutting down of certain industries. They have done a lot to cut down nonessential and less essential industries and to divert their manpower where they feel it is most needed. To give you an example: They have branch banking there and in all of the smaller country towns the big city banks all had a branch. They compelled them to close all but one of their branches, and that branch acts for all the other banks. They have done that to reduce the manpower problem. Domestic servants are restricted. Generally you cannot have a domestic servant unless you have someone young, sick, or infirm. I could multiply those instances.

Mr. SCHIEFLER. That is what I suspected, but I did not know that was handled definitely that way. Thank you.

Chairman BLOOM. Mrs. Rogers, have you any questions?

Mrs. ROGERS. When you go back to Australia, I wish you would say hello to our Ambassador, Nelson T. Johnson.

Colonel EDDY. I saw him a week or so ago and I will be delighted to do so.

Mrs. ROGERS. I am very much interested in your statement on page 17 regarding the Australian War Cabinet, which just ordered one Australian department to make 20,000 men available for other industries, particularly agriculture and forestry. They are putting them in agriculture and forestry?

Colonel EDDY. That is right.

Mrs. ROGERS. Isn't that because Australia is being taught to regard agriculture as very important in this war?

Colonel EDDY. I do know that Australia regards the food program as of the first importance but I know nothing about its relation to U. N. R. R. A.

Mrs. ROGERS. I think I know.

Colonel EDDY. Possibly I could say something more here. I do not want to leave a false impression. The principal reason they are compelled to divert people to agriculture is that they have got the problem of feeding the American Army.

Mrs. ROGERS. And also feeding other people?

Colonel EDDY. I think this diversion was decided on before U. N. R. R. A. was organized, but we haven't heard much about U. N. R. R. A.

Mrs. ROGERS. My reports that I have received are to the effect that it will take people out of the Australian Army to produce agricultural products.

Colonel EDDY. There have been some diversions from the Australian Army, but none that I know for U. N. R. R. A. purposes.

Mrs. ROGERS. That is quite a serious matter.

Do you feel that many nonessential goods are being sent to Australia?

Colonel EDDY. No; I have not heard that.

Mrs. ROGERS. I do not believe that occurs much in Australia or not to the extent that it exists in other countries.

Colonel EDDY. I would not know about the other countries, but I think it has been held down in Australia. We have held down the importation of nonessential goods to a minimum in Australia. I think,



however, that there are a lot of reasons for that. One is that ship space for essentials has been at times pretty tight.

Mrs. ROGERS. Yes, I know that, but I understand in other countries they have given some publicity to the fact that nonessentials were sent overseas, and I am very anxious to check it, and that is something which we can check by law.

Colonel EDDY. Well, I do not know about any other theater. I think in Australia we have actually got down pretty close to the bare necessities of life.

Mrs. ROGERS. You have made a very fine statement. Have you paid for those blankets?

Colonel EDDY. The Australian Government paid for them.

Chairman BLOOM. That is in reverse lend-lease.

Mrs. ROGERS. Thank you, very much.

Chairman BLOOM. Dr. Eaton, have you any questions?

Mr. EATON. I think the colonel has made a very illuminating and constructive statement here, which will be most helpful to us in deciding upon these extensions. The one thing I had in mind was to make the assurance doubly sure that reverse lend-lease furnished by Australia would be reckoned in terms of our money so that it would not appear, when they give us blankets for one-third what they cost here, that the contribution was only one-third of what it would be from our point of view. That exchange system, if worked out properly, would give them full credit in American money for what they do in reverse lend-lease.

Colonel EDDY. Well, let me say this: You take any set of figures as complicated as these and you can interpret them in a number of ways. I tried in my statement to set forth the yardstick of measurement. To a certain extent money is not always a fair yardstick, but it is about the only yardstick that we are used to dealing with.

If we had gotten the goods from the United States, then the figure of the cost to the American people would have been very much more than the figure for the cost to the Australians. We have converted what Australia actually paid out on an arbitrary rate of exchange. Practically, sir, as I said before, the accounting is not our problem.

Mr. JOHNSON. If the gentleman will permit an interruption, that is not your problem. That is the problem of Lend-Lease. You get the material and turn it over to Lend-Lease and then Lend-Lease handles the figures?

Colonel EDDY. That is it, exactly. The thing I am interested in and our organization is interested in is to get every last thing we can get in Australia. We are engaged in a partnership venture and, for my part, I am entirely willing to leave somebody else do the book-keeping.

Mr. JOHNSON. You get the figures and turn them over to Lend-Lease and it is a matter for them to decide?

Colonel EDDY. Yes; it is a matter for them to decide under higher policy.

Mr. SCHIFFLER. If you did anything more than that you would probably lead to inflation, like on the gold-lipped shell?

Colonel EDDY. If we used cash, there might be a decided inflation. May I say something more?

Chairman BLOOM. Go right along; go ahead.

Colonel EDDY. It is covered in the statement, but I want to emphasize the extent of what you might call mutual aid.

We give them something on lend-lease; we get something back on reverse lend-lease.

Take this question of food, for example. There is a fellow in Santa Barbara, Calif., who grows lima beans. There is also a fellow in Gallatin Valley, in Montana, who grows peas; there is a fellow in Ohio who grows golden bantam corn. All those men raise those crops for seed. The United States Government takes the seed and sends it to Australia on lend-lease. That seed is turned over to a farmer in Australia and he plants a crop. Part of the units of his fertilizer is probably phosphate from Florida; some of his farm machinery came from Illinois; some of his canning machinery came from California or Maine.

Mr. JOHNSON. Did anything come from Texas?

Colonel EDDY. He got some sulfur from Texas. All that came to Australia on lend-lease.

The Australian Government makes a contract with that farmer to grow a crop which the Australian Government will pay for. The Australian Government pays the canner to can it and the canner puts it in a can made of American tin plate which came in or through lend-lease from Pittsburgh. Then the canner takes the can and puts it in a wooden case, and the chances are that he got the wood with which he made the box from New Zealand. Then it is shipped on an Australian railway on reverse lend-lease and put in an American warehouse that the Australian Government built and paid for and turned over to us upon reverse lend-lease. When it is time to use the can, it goes down to the docks, and is loaded by Australian stevedores that the Australian Government pays and it is put on a boat that Australia gives us as reverse lend-lease and the boat is provisioned and powered under reverse lend-lease. If it is coal that is used for power, that came from Australia, and that was under reverse lend-lease. When the boat gets up north, it is unloaded on docks built up in the islands out of Australian timber with Australian hardware which Australia paid for. The food is stored in a temporary hut which is made of Australian steel and paid for by Australia. I might say, incidentally, that we are taking one-half of the sheet steel produced in Australia for our hutments and warehouses at the present time. When it comes down to the problem of eating the food, the can is opened by an Australian-made can opener, it is cooked in an Australian-made stove and it is eaten with Australian knives and forks, out of an Australian mess kit, and all of that comes out of reverse lend-lease. The American boy who eats the food has completed the cycle, because the chances are that somewhere along the line his father back home had something to do with some of the products that eventually produced that product. That is reciprocal aid, the way it works out in the field.

Mr. EATON. Mr. Chairman, I am grateful to the colonel for the fine statement he has just made.

What I have in mind is this: We are partners with Australia in this gigantic struggle. We are just as much interested in the Pacific as Australia is, because our flag has been torn down and trampled in the mud by our enemies, and our territory has been taken from us, which we have got to get back, and so what I want is to have complete fair

play in facts represented to our people with reference to the copartnership of these brave and self-sacrificing people, and I want to head off those miserable notions that we are suckers and everybody in the world is trying to work us for all they can get, because we know, as a matter of fact, that everybody is trying to help win the war, because if we do not win it, God help us and all our partners. And so I am delighted to have had this fine presentation made here today and I hope it will get out to the country that in the case of Australia—let us take them one at a time—we are full partners and they are doing their damndest, like we are, to help win this war. That was why I asked you that question. I thank you for your very illuminating statement.

Mr. SCHIFFLER. I think that is a very fine statement.

In view of the statement on page 5, "The Quartermaster receives over 90 percent of the food required for American forces in the southwest Pacific, and in addition receives large quantities which are supplied to Admiral Halsey's forces," your statement was an excellent answer which indicates the excellent cooperation which has existed and the fine partnership.

Chairman BLOOM. Colonel Eddy, I would like to ask one question: You say the exchange rate of the pound against the dollar is \$3.23. How is that exchange rate arrived at? Is that an arbitrary figure?

Colonel EDDY. That is one of those arbitrary things of finance that I do not understand.

Chairman BLOOM. Do you know, or has anyone ever heard, of the rate of exchange on the pound to be as low as \$3.23? But the legal rate is \$4.85. When you said \$3.23, I was surprised because I never heard of the pound being pegged at the rate of \$3.23, so if we are paying at the rate of \$3.23 we are getting an exceptionally low rate.

Colonel EDDY. It means a difference, of course, of about one-third in your figures.

Mr. MUNDT. Mr. Chairman, I think that is essentially correct. It happened that I sold an article to a London magazine about 6 months ago, and I got a check for £2, and I took it to Riggs bank and they gave me \$6.75, and that is about \$3.37 to the pound.

Chairman BLOOM. You were not overpaid, were you?

Judge KEE, have you any questions?

Mr. KEE. Unfortunately I could not be present to hear the colonel's statement. Therefore, I have no question.

Chairman BLOOM. Mr. Chipperfield, have you any question?

Mr. CHIPPERFIELD. I want to thank the colonel for this very splendid statement, which gives us valuable information on lend-lease in reverse.

Mrs. ROGERS. I wish we could have a separate statement of what the colonel just said. I would like to put it in the Congressional Record. It is a very fine statement and very clearly explains the effectiveness of reverse lend-lease.

Chairman BLOOM. Mrs. Rogers, you can take anything out of the record of the proceedings of today.

Mrs. ROGERS. I only wanted to be sure that we got it all, because the colonel spoke rather fast.

Chairman BLOOM. We have a lend-lease reporter, so he has it all.

Mr. BURGIN, have you any question?

Mr. BURGIN. I have no question.

Chairman BLOOM. Mr. Stearns, have you any question?



Mr. STEARNS. I have no question, although there is one thing I would like to inquire of the colonel. He speaks, on page 17 of his statement, of 20,000 men being made available for agriculture and forestry. From where were they taken?

Colonel EDDY. That means they were taken from certain manufacturers.

Chairman BLOOM. Mr. Courtney, have you any question?

Mr. GORDON. Mr. Courtney has gone.

Chairman BLOOM. Mr. Gordon, have you any question?

Mr. GORDON. I have no question but I want to thank you, Colonel Eddy, for your fine statement.

Chairman BLOOM. Mr. Mundt, have you any question?

Mr. MUNDT. Colonel, you made a very fine statement. I think you have given the committee a very thorough understanding of how reverse lend-lease operates in the field. In that connection I would like to ask you one question about lend-lease here. Have you anything to do with it here?

Colonel EDDY. How do you mean?

Mr. MUNDT. Lend-lease in forward here as compared to lend-lease in reverse.

Colonel EDDY. I see what you mean.

Mr. MUNDT. Do you feel, in your capacity, that our operations in the Pacific have at any time been curtailed because of the inadequate supply of lend-lease from this country to Australia and to our military allies down there?

Colonel EDDY. I am sorry you asked me that question. The question of the over-all supply of the Pacific area, particularly the supply of military items furnished from the United States to General MacArthur's command, is one of which I have no detailed knowledge. It is not a question that our particular section deals with. I think that probably the only man who could adequately comment on that, or whose comment would be safe to take, would be the Commander in Chief, and I would prefer not to express an opinion on that.

Mr. MUNDT. It is a little difficult to get him before a committee of this kind. All right, sir.

Chairman BLOOM. Is that all?

Mr. MUNDT. Yes, sir.

Chairman BLOOM. Mr. McMurray, have you any question?

Mr. McMURRAY. I have no question, Mr. Chairman.

Chairman BLOOM. Mrs. Bolton, have you any question?

Mrs. BOLTON. I have no question, Mr. Chairman.

Chairman BLOOM. Mr. Mansfield, have you any question?

Mr. MANSFIELD. Colonel, I think your statement was an excellent one, and certainly it proves very satisfactorily that Australia is doing its full share under the lend-lease program. The question was raised here about wool, and I would like to make an observation about that particular commodity because it does affect the entire Rocky Mountain region.

At the start of the war the Australian Government, or the British Government, imported from Australia a huge poundage in wool. I think it approximated 600,000,000 pounds. It came into this country because there was a possibility and a real possibility of a wool shortage. It was to be held under bond, and it was not to be used except in case of extreme emergency. Fortunately that emergency did not arise,



but at the present time that wool, which is of a very fine grade, is being thrown on the American market and the American wool producers are in a very unfortunate position because of the competition which has resulted from it. The American manufacturers are using that fine Australian wool for clothing. Of course, you have nothing to do with that, but it is something we are trying to find out something about.

Chairman BLOOM. Is that all, Mr. Mansfield?

Mr. MANSFIELD. That is all.

Chairman BLOOM. Mr. Schiffler, have you anything further to say?

Mr. SCHIFFLER. I have no comment to make, except to tell the Colonel that he made a very fine statement.

Chairman BLOOM. Colonel, you made a fine statement.

Colonel EDDY. Thank you, very much.

Chairman BLOOM. I think we can conclude with you right now. I think if we would stop right now, we would have won our case. It has been a pleasure to have you here, sir. I want to thank you on behalf of the committee.

Colonel EDDY. Thank you very much.

Chairman BLOOM. We will insert your prepared statement in the record at this point.

(The statement above referred to is as follows:)

STATEMENT OF COL. SPENCER B. EDDY, GENERAL STAFF CORPS, OFFICE OF THE GENERAL PURCHASING AGENT, UNITED STATES ARMY FORCES IN THE FAR EAST

Mr. Chairman, members of the committee, I have just returned from 2 years' service in Australia. During that time I have served in varying capacities in the Office of the United States Forces general purchasing agent, Southwest Pacific area, whose principal job is to obtain supplies and services in Australia. Most recently I served as acting general purchasing agent. The general purchasing agent today is Col. P. W. Johnston, now on leave from the Erie Railroad of which he is the assistant vice president in charge of operations and maintenance. The Office of the General Purchasing Agent functions as a part of the headquarters of the United States Army Forces in the Far East and through this headquarters reports to Maj. Gen. Richard J. Marshall, deputy chief of staff to Gen. Douglas MacArthur, the commander in chief, Southwest Pacific Area.

I am appearing before your committee at the request of the chairman and in accordance with the policy of the War Department and the Foreign Economic Administration to furnish this committee with all available information on reverse lend-lease. When I left Australia, I had no idea that I would be called upon to testify. Naturally, therefore, in telling the story of Australia's cooperation with the United States through reverse lend-lease, I am speaking for myself personally on the basis of my own 2 years' experience and not for any of my various chiefs, from General MacArthur down.

The Office of the General Purchasing Agent in Australia is charged with the duty of procuring supplies and services for the United States Army, Navy, and Marine forces in the southwest Pacific area and, to the extent possible, for the United States forces in the South Pacific area under Admiral Halsey. To carry out this job, we maintain offices at four major points. The command office is attached to General MacArthur's headquarters where major policy decisions are made. Melbourne is the seat of most of the Australian Government departments and a large part of our work consists of working with these departments. Sydney is the seat of the remaining Government departments and vies with Melbourne for the honor of being the major industrial center of Australia, so that a substantial office is necessary in Sydney, too. We also have a liaison officer in New Zealand whose job is to obtain supplies from the New Zealanders for our forces in Australia and New Guinea, although the great bulk of New Zealand's reverse lend-lease supplies, of course, go to Admiral Halsey's forces in the Solomons, New Hebrides, and New Caledonia.

We carry out our job of procuring supplies and services under the reciprocal aid agreement with Australia and the over-all policy directives laid down by the Foreign Economic Administration and the War Department. That policy has been clear from the outset—procure all supplies and services available in Australia and, in order to save American dollars, procure as much of it as possible under reverse lend-lease. That is exactly what we have done, so that today we get under reverse lend-lease practically all the supplies and, with only an exception or two, all the facilities and services that are available in Australia.

The way we work is roughly like this. One of the services—let us say, the Engineers—determines that a particular engineer item can be obtained in Australia. More than likely they have even found a possible supplier. They then file a request for this item with us—it is called a contract demand—and we take the request to the appropriate Australian Government department under the established reverse lend-lease procedure and the Australian department goes out and procures the item. If any Government department, say the Australian Army, has the item we need in stock, they turn it over to us on direct requisition. The goods are inspected by our receiving service and a receipt is given for them. The matter then becomes one of reverse lend-lease bookkeeping.

A system of forward planning of reverse lend-lease supplies has now been fully developed. Last year we submitted to the Australian departments our requirements for the calendar year 1944, and, after thorough discussions, they committed themselves to supply us with as much of each of the items as they believed their economy could stand. In this way, our services were able to lay their plans for the supplies they are getting in Australia this year and the supplies they are requisitioning from the United States.

The Services are authorized to make small purchases for cash in the open market. For some time the ceiling on any cash purchase was \$1,000, but a proposal was being considered at the time I left Australia to reduce this amount to 100 pounds, that is, \$323, and this proposal may already have been put into effect. I think you will agree with me that we have to have some leeway for cash purchases in emergencies or in out-of-the-way places. As the committee knows, under direct lend-lease there is a comparable exception, whereby the Australians, for example, pay cash for all items under \$1,000 obtained in the United States. This saves a great amount of red tape and makes for administrative flexibility.

Australia is providing reciprocal aid to the United States forces in a generous and courageous spirit. Today we are getting goods and services from Australia under reciprocal aid at the rate of a million dollars a day—and this from a country of only 7,000,000 people. Australia put 100,000,000 pounds, that is, \$323,000,000, at the present rate of exchange, in its budget for reciprocal aid for the fiscal year ending June 30, 1944, but its constantly increasing expenditures for this purpose are running in excess of this amount. Total Australian expenditures for reciprocal aid up to December 31, 1943—based on figures supplied by the Australian Treasury—were over 112,000,000 pounds or approximately \$362,000,000. The split-up by categories is as follows:

1. Stores and provisions.....	\$95, 121, 126
2. Technical equipment.....	8, 228, 635
3. Motor transport.....	31, 478, 666
4. Aircraft stores and equipment.....	35, 441, 8 9
5. General stores.....	43, 371, 448
6. Transportation and communication.....	28, 926, 414
7. Shipping.....	23, 280, 157
8. Works, buildings, and hirings.....	92, 990, 163
9. Miscellaneous.....	3, 526, 175
Total.....	362, 364, 683

I have used the going rate of exchange, \$3.23 to the pound, to estimate the reciprocal aid we have received. Actually much more has been received than could be bought with \$362,000,000 in this country. For example, the wool blankets we get in Australia—we expect to get a million blankets—cost \$2.64. The same item costs \$7.67 here, approximately three times as much. Many of the biggest food items cost only half as much in Australia as they do here. I won't belabor the point, but I do want the committee to understand that we are actually getting substantially more goods and services than the dollar figures indicate.

Just what these dollar figures do mean in terms of actual goods and services can best be seen if we take a look at the types of goods and services we are getting. Here are some of the things Australia furnishes under reverse lend-lease.



The quartermaster receives over 90 percent of the food required for American forces in the southwest Pacific, and in addition receives large quantities which are supplied to Admiral Halsey's forces. The quartermaster receives apples, apricots, asparagus, bacon, bananas, beans, beef, beets, biscuits, cheese, cherries, cinnamon, cloves, cocoa, coffee, corn, cream, cucumbers, currants, and so on for the other 23 letters of the alphabet. He gets knives, forks, and spoons; kitchen equipment of every kind; horses and harnesses; clothing of all sorts—shirts, trousers, socks, gloves, hats, nurses' garments; soap and toothpaste and razor blades; machetes; paints and lacquers and brushes of all kinds; insecticides and disinfectants and sprayers to use them; gas and oil drums; hand tools of all kinds; packing cases and caskets; blankets and shoes—we expect to get over a million pairs of shoes this year from Australia; trowlers and launches and ketches and anything else on the coast of Australia that can float and will be used to run supplies in and around New Guinea and New Britain.

Our ordnance receives the assembly and servicing of vehicles of all kinds under reciprocal aid. It receives ammunition boxes; water, bomb, and other types of trailers; machine tools of various kinds; hand tools; tires and tubes of various sizes; recapping and repairing of tires; paraehutes for fragmentation bombs; fire-control instruments of all kinds; hand grenades; motor-vehicle spare parts and tools of all kinds; and all sorts of little things that make equipment move when it gets stuck 10,000 miles away from home.

The Medical Corps receives hospitals, hospital trains, hospital laundries, and hospitalization in Australian civilian hospitals; beds and bedding, kitchen and mess equipment; stretchers and dressings. By and large, Australia is not a producer of drugs; she is an importer from Britain and ourselves. But when we needed some drug or other, it was willingly made available to us within the limits of Australia's capacity to supply from its dwindling stores.

The Engineers have received airfields, barracks, and office buildings; observation and control towers; hutments and warehousing facilities; sewage, water, and electrical utilities; wharves, jetties, and docks; administration and operations buildings; laundries and workshops of all kinds. They have received earth-moving equipment; power-control units, angle dozers, cranes, rollers and scrapers, concrete mixers and cement; steel and steel rods; water tanks; poles, posts, and logs; timber and timber saws; refrigeration equipment of all kinds; insulators, transformers; engines; fire extinguishers; pumps; rope, including wire rope; barbed wire, wire netting; spare parts of all kinds.

It might be well to anticipate right here a question that quite naturally arises from the list of installations the engineers have received—what does Australia include as reverse lend-lease for the installations they furnish us? They do the only practical thing they can—they enter on their books the construction cost of the facilities when they build an airdrome or barracks at our request and the rental charge they must pay the owners of an office building when they arrange for a lease of the building for our account. In other words, the sums entered on the reverse lend-lease account for facilities are simply the Australian Government's expenditures, just as figures on direct lend-lease represent United States expenditures.

The Signal Corps receives telephone, telegraph, and cable services throughout Australia, in addition to installation services for radio stations, switchboard rooms, telegraph circuits, and telephone lines. It has received transmitters and receivers, battery chargers, capacitors, transformers, resistors, wire and cable, pole line hardware, tools, meteorological balloons, tubes, and batteries. The American forces who landed on the Admiralty Islands undoubtedly reported their victory with Australian-made signal equipment.

The Special Services Section receives the printing of the southwest Pacific edition of Yank Magazine which is called "Yank Down Under." It also receives baseballs and baseball equipment, boxing gloves, footballs, volley balls, books, radios and tubes, and phonograph records.

The Transportation Corps receives rail, air, motor, and water transportation services, including freight, port and harbor charges, stevedoring, and wharf handling charges. Incidentally, transportation is severely rationed and civilian travel is limited to essential trips. It receives repairs to ships and other equipment. It receives anchors and anchor chains; lifeboats, life rafts, and dinghies; small marine engines; pumps; manila, sisal, and wire rope; life belts and jackets; mattresses; tools; glue and paint; barges, surf boats, launches, tugs, and other boats.

The United States Air Corps, that is, the Fifth Air Force, receives repair and overhaul facilities which have contributed greatly to its record of keeping a

higher percentage of planes in the air than any other theater. The Fifth Air Force has received aircraft, aircraft parts, tools, and maintenance supplies; thousands of such miscellaneous items as caneite; cable of all types, cleaning compounds and chemicals; photographic materials; cord for opening parachute packs, fire extinguishers, launches, and cruisers for rescue work; dopes and paints; machines and machine and hand tools; gas and oil drums; oxygen and acetylene; hose of all types; flying jackets and jungle kits; air mattresses; screws and nuts; pumps; belly tanks for various types of planes.

Our South Pacific forces under Admiral Halsey have received large quantities of foodstuffs from Australia. Every effort is made to supplement New Zealand's agricultural production. In addition, Australia has furnished many other items to our South Pacific forces, the largest in terms of tonnage being coal and cement.

It would take all day to give you a complete list of the items we have received from Australia under reverse lend-lease—printing charges, rehabilitation and rest areas, officers clubs, Red Cross installations, and so on. To illustrate this, I brought with me a document that lists all the items we have received. As you can see, it contains many hundred pages with a dozen or so items on every page. Some of the items we have received in substantial numbers and some in extremely small quantities, maybe only one or two. But even these small items were often very important for they usually came when we needed them badly and needed them too quickly to place a requisition upon the United States. This report I have with me is compiled every 3 months and sent into the War Department for use in planning supplies for the United States Army. The more we and the other theaters get in the field, the less is the call on United States production, and on shipping. As the report is a confidential document, I cannot insert it in the record, but I have brought it with me to give you some idea of the very wide variety of items we are receiving on reciprocal aid from the Australians.

I might add parenthetically that arrangements have been made for our Army in Australia to receive several items on reverse lend-lease direct from the United Kingdom. Tea and cocoa, Hessian cloth calico, canvas, and a few other items that are available in parts of the British Empire other than Australia will be shipped direct to the United States forces in the Southwest Pacific area on reverse lend-lease from the United Kingdom.

Every once in a while somebody asks whether we give the Australians more under lend-lease or whether they give us more under reverse lend-lease, and some pretty curious answers have been given to this question at times. Roughly, I'd say that, as of December 31, 1943, we had given Australia under lend-lease about twice as much as they had furnished us on reverse lend-lease. But for the last few months and as of the present time, lend-lease and reverse lend-lease are about equal. But no particular conclusion can be drawn from such a comparison, and it may even be very misleading. On the one hand, we have 20 times as many people as Australia. On the other hand, Australia has only 1 big customer, and we have a large number, of which Australia is by no means the largest. Moreover, a comparison of figures based on conversion of currencies at the official rate of exchange, ignores differences in prices and in purchasing power, to which I have already referred.

Taking a little different approach to this problem, lend-lease expenditures, as Mr. Crowley has pointed out to the committee, constitute 14 percent of our total war expenditures, while reverse lend-lease constitutes 18 percent of Australia's war expenditures. The production facilities of the two countries, I believe, are about equally directed to producing war supplies, and pretty much the same proportion of the total national income is devoted to the war effort. What is significant is that the resources of both Nations are being utilized most effectively for the prosecution of the war. It is not a question of benefiting one Nation more than another, but of hitting the enemy as hard as we can.

I never did think much of trying to figure out who was getting the best of a square deal, and I am not going to pursue this comparison any further. Obviously the Japs are getting the worst of the bargain. Who is getting the best of the bargain I don't know, but one can't say less than this: Australia—within the limits of its manpower and materials is doing what it reasonably can for the United States and is carrying out the job of supplying reciprocal aid in the true spirit of a courageous ally and a good friend.

Indeed, I do not think one can find a better example of cooperation between two sovereign states to the mutual benefit of both than the lend-lease and reverse lend-lease cooperation between the United States and Australia. It is mutual aid in the truest sense. Let me show you how this works out in actual practice.



By and large, Australia is feeding our troops out there. In 1944 we will receive between \$150,000,000 and \$200,000,000 worth of food from Australia. We have a firm commitment for over 250,000,000 pounds of meat; we expect to get more. There'll be hundreds of thousands of tons of fruits and vegetables and other items. But this food isn't there ready and waiting to be shipped to the troops in the islands. It has to be grown and it has to be canned or dehydrated and it has to be packed and shipped. That is where we come in. We have agricultural experts with the United States Army in Australia who help plan the crops to be grown. Under lend-lease we furnish the seed for many of the crops and many of the agricultural implements to help raise them. We also have experts on canning and dehydration, and we have supplied canning and dehydration machinery and tin plate to carry out the program. The excellent relations that our subsistence representatives have with the Australians is a great tribute to their tact and to the Australian desire to cooperate and feed our troops.

Take a few other items: We send carbons to Australia on lend-lease and our Signal Corps get batteries on reverse lend-lease. The saving in shipping is tremendous—shipping carbons takes about one-fifth the space of shipping batteries—and it is made all the more so by the fact that batteries have a very limited life, a substantial portion of which would be used up in the long trans-Pacific voyage with all the delays that go with it.

We furnish machinery for the manufacture of steel drums and we get the steel drums in return. These drums are used by practically all of our Services right through from the Air Corps to Chemical Warfare.

We furnish cotton fabric, carbon black, and some chemicals; the British supply the rubber, and we receive finished tires and tubes. In 1944 Australia plans to furnish us with approximately 40 percent of its total production of tires and tubes and thus help alleviate the tire shortage here. Australia also has a large army and air force of its own to keep in tires, so that military demands for tires there leave very few for even the most essential civilian needs.

We furnish expansion valves on lend-lease and get refrigeration equipment on reverse lend-lease. This refrigeration equipment has been extremely important in supplying troops in the jungles of New Guinea and New Britain.

We have supplied engines and obtained small ships of all kinds. Australia's program to build landing craft, barges, tugboats, etc., is vital to our operations in the islands leading northward. Australia has embarked on a program amounting to some \$40,000,000, to which the highest priority has been assigned. Already substantial deliveries have been made to our forces, but details must be withheld for security reasons.

We have supplied lasts and obtained shoes. We have supplied materials of various sorts and obtained aircraft belly tanks. I could cite many other examples to show that this program is truly one of mutual aid, but one more should suffice. We furnish bearings, and in return Australia produces earth-moving equipment and constructs airdromes and other works essential to operations in the theater. General Casey, General MacArthur's chief engineer, works out with the Australian authorities the total requirements—both United States and Australian—of earth-moving equipment so that the operations planned by the staff can be executed. They then allocate these requirements between the United States and Australia for supply. What is needed from the United States, General Casey requisitions on San Francisco. Production is planned for the remainder in Australia and we furnish under lend-lease a few of the components such as bearings. This is a joint Australian-American program from the time the plans are laid right through the time that Australian and American flyers take off from the same airfield.

In order to carry out this program of mutual aid, the Army's job of screening Australia's lend-lease requirements—it is done in conjunction with a competent and cooperative Foreign Economic Administration mission in Australia—has been placed in the Office of the General Purchasing Agent. As you no doubt know, nothing comes to Australia under lend-lease that does not have General MacArthur's approval as an essential part of the military program. Authority to approve lend-lease requisitions for General MacArthur has been delegated to the General Purchasing Agent under the supervision of Major General Marshall. We look on our job as a twofold one. First, the United States should not be called upon to supply anything to Australia under lend-lease that is not an essential part of the over-all military program. And to accomplish that result, we do not approve anything that we, in consultation with our technical services out there, do not consider truly essential. Our second, and equally important task, is to help the Australians actually get the items that they need to fight the Japs side by side with our own men and the items they need to produce the supplies we

are getting under reverse lend-lease. We work in close contact with the Australian authorities on these matters, and American officers are sent back here from time to time to help get items for the mutual advantage of Australia and our forces.

I would like to go back to the reciprocal-aid side of the picture for just a moment more. At first we all had the usual growing pains that go with starting a new system of supply. It was much easier to send a supply requisition by radio to the United States. But we soon learned that supplies procured in Australia save American dollars and American shipping space. And we learned, too, that supplies could often be obtained quicker in Australia. Now the services are 100 per cent sold on getting everything they can in Australia, and it is a safe bet that they don't requisition on the United States for anything that can be procured in Australia.

Indeed, we have to act as a brake the other way nowadays. Australia has about reached the end of its rope as far as available manpower is concerned. If we take more of one item, we are going to get less of another. Our problem in Australia today is to ask for only those items which it is really important that we get there. We must make the most efficient use of Australian manpower by concentrating on items that save huge quantities of shipping space, such as steel drums and food, or that are critical here, such as tires and tubes and landing craft, or that have a short life, such as batteries.

Manpower in Australia is a lot tighter than it is in the United States. They have a larger percentage of people in uniform than we do. They have had to put manpower in new industries that didn't exist before the war. They have a large Allied Army to supply. Indeed, the manpower situation has now reached a "robbing Peter to pay Paul" stage. The Australian War Cabinet has just ordered one Australian department to make 20,000 men available for other industries, particularly agriculture and forestry. Many very important projects will be hit by this order, but food and timber production have to be maintained at all costs. That's what I meant when I said the manpower situation has reached the stage where, if we get more of one item, we are going to get less of another.

I do not think I overstate the case, or let my enthusiasm for the job the Australians are doing run away with me, if I say that Australia is giving this country reciprocal aid in a broad and generous spirit. The days ahead will create grave problems for them and for us whose job it is to get supplies there. It is no military secret to say that more and more troops are going to the Pacific and that this movement will be accelerated if and when Germany collapses. This will create an ever-increasing supply problem in Australia. I am confident, however, that, within the limits of their men and materials, Australia will supply the United States forces in the Pacific with all the supplies and assistance that it can and will not stop until the Japs lay down their guns.

#### STATEMENT OF LEO T. CROWLEY, ADMINISTRATOR, FOREIGN ECONOMIC ADMINISTRATION AND OSCAR COX, GENERAL COUNSEL, FOREIGN ECONOMIC ADMINISTRATION—Resumed

Chairman BLOOM. Mr. Crowley, do you wish to make a further statement?

Mr. CROWLEY. I do not think so, Mr. Chairman.

Chairman BLOOM. Mr. Jonkman was questioning you, Mr. Crowley, at the last meeting when we adjourned. If there are any members of the committee who would like to ask you any further questions, they may do so at this time.

Mr. CHIPERFIELD. Mr. Chairman, I would like to ask Mr. Crowley one or two questions.

Chairman BLOOM. The Chair recognizes Mr. Chiperfield.

Mr. CHIPERFIELD. Mr. Crowley, I dislike to bring this matter up as we have had such a pleasant statement by Colonel Eddy, but over the week end I read an article in the Times-Herald by Fulton Lewis, Jr., and I would like to invite your attention to one or two items in that statement and find out if they are correct. He says:



In the case of England, some of the planes have been traced, and it has been discovered that some of the very transports that were taken off American lines were shipped to England under lend-lease; once they arrived there, the military paint was removed, seats were reinstalled, and they went into commercial operation on domestic British air lines.

Do you know whether that statement is correct?

Mr. CROWLEY. I do not know the facts offhand, but I doubt the accuracy of this report. I think that is something for the military authorities. We will get a statement for you on this subject.

Mr. CHIPERFIELD. Thank you.

(The statement requested is as follows:)

STATEMENT REGARDING ARTICLE BY FULTON LEWIS, JR., IN WASHINGTON  
TIMES-HERALD, MARCH 5, 1944

Mr. Fulton Lewis, Jr., in the Washington Times-Herald of March 5, 1944, made the following assertion:

"English, Canadian, and Dutch air lines—using equipment which we have turned over to them—are expanding their operations.

"In the case of England, some of the planes have been traced and it has been discovered that some of the very transports that were taken from American lines were shipped to England under lend-lease; once they arrived there the military paint was removed, seats were reinstalled, and they went into commercial operation on domestic British air lines."

The facts are as follows: All the planes taken by the Air Transport Command of the United States Army from American air lines have been used by the Air Transport Command. None was transferred to any foreign government, and those planes no longer needed by the Army are being turned back to the air lines.

Mr. Lewis' assertion that English air lines are expanding their operations with lend-lease planes is not true. There are no private civilian air lines presently operating in the United Kingdom. All air lines have been taken over by the British Air Ministry and are used for military purposes.

The British have obtained transport planes from the United States both under cash purchase and under lend-lease. Three clippers formerly operated by Pan-American Airlines were purchased by the British. British airplane factories have concentrated on the production of bombers and pursuits, and have turned out few transports. The British have, therefore, been faced with the necessity of meeting the requirements for both military and essential civilian transports almost entirely from United States production. American transport planes, assigned to British military air lines, have thus played an important role in the war effort by maintaining communications within the British Isles as well as with the outside world at a time when surface passenger transportation was severely restricted by military operations.

\* \* \* \* \*

Mr. CHIPERFIELD. Further on in the article he says:

As for the Dutch, they have succeeded in effecting the most amazing coup of all.

A year ago the subsidized Dutch air line, K. L. M., persuaded the State Department—through Assistant Secretary Adolph Berle—to let them start an air line operation from Miami, Fla., to Venezuela, in direct and parallel competition with Pan American.

They had four Douglas transports, which they had paid for, and the Lend-Lease Administration in Washington then gave them two of the air liners that had been taken away from our domestic airlines after we entered the war.

They established a freight rate of 23 cents a pound, while Pan American says it cannot possibly carry freight for less than 26 cents a pound. The difference lies in costs of operation, and the fact that K. L. M. is subsidized.

Do you know whether that statement is correct?

Mr. CROWLEY. We will be very happy to check that for you.

Mr. CHIPERFIELD. We will be glad to have that information.

Mr. Lewis further asserted in the Washington Times-Herald, March 5, 1944:

"As for the Dutch, they have succeeded in effecting the most amazing coup of all.



"A year ago the subsidized Dutch airline, K. L. M., persuaded the State Department—through Assistant Secretary Adolf Berle—to let them start an air-line operation from Miami, Fla., to Venezuela. \* \* \*

"They had four Douglas transports, which they had paid for, and the Lend-Lease Administration in Washington then gave them two of the air liners that had been taken away from our domestic air lines after we entered the war."

The facts are as follows: No air liners taken from our domestic air lines by the United States Army have been assigned to K. L. M.

In the spring of 1943 two new standard Army Lockheed Lodestar C-60 planes were transferred, for cash, to the Netherlands Government under "cash reimbursable" lend-lease. These planes were applied against the balance of transport planes due the Netherlands Government on cash-purchase contracts placed in the United States before the fall of Java.

The two planes were originally assigned to the Netherlands Government for the purpose of carrying laborers and other personnel from Barbados and other West Indian points to Curacao, where they were needed for the construction of a 100-octane gasoline refinery and a dock for tankers. At that time, water transportation for these construction personnel was difficult to obtain because shipping space was tight and the Caribbean was still infested, with German submarines. The planes were also needed to carry to Curacao navy and army men and miscellaneous stores, such as fresh fruits and vegetables, for which water transport was not available.

After the construction projects in Curacao were completed, the Dutch Government in the fall of 1943 obtained permission from the United States Government to lend one of the planes, for a few months, to the Royal Dutch Airlines (K. L. M.) to take the place of one of their regular planes which had been damaged and could not be quickly repaired. This plane was necessary to maintain essential communications in the area.

In February of 1944 the Dutch Government requested permission to use the two Lockheed Lodestar planes to ease the shortage of air-transport facilities between the United States and the Dutch West Indies. This permission was granted on condition that (1) the planes would not be placed in the service of the K. L. M., and (2) that they be used only to carry Government officials and military and oil-refinery personnel between the United States and the Dutch West Indies.

Mr. MUNDT. Right along the same line, Mr. Crowley, I have a statement before the committee in this article from the Reader's Digest of the issue of August 1943, written by Senator Joseph C. O'Mahoney, United States Senator from Wyoming, who, I think, should be considered a friend of lend-lease and a friend of the administration, but he writes an article in the Reader's Digest of which I shall read a portion. This came to me through my correspondence, people asking me questions about it which I have been unable to answer.

I am quoting from the Reader's Digest of August 1943, starting at page 40 [reading]:

Recently Congress voted almost unanimously to extend for another year the life of lend-lease. We did that because Congress knows that whatever success our allies gain is our success, and because we are determined to use every available means to speed victory.

But lend-lease, which was created by Congress as a war measure has become a gigantic financial instrument of the Executive by which, without the advice or consent of Congress, the global shape of things to come is being prepared. Congress has appropriated \$18,000,000,000 for lend-lease. But from funds appropriated by Congress for other purposes, some fifty additional billions have been transferred to this agency by Executive order.

What is ominous is that this vast operation and its final settlement may be used for purposes on which Congress has never been allowed to vote or the people to voice their opinions. The President, in the final accounting, can accept repayment in kind or in property—or he can also write off the whole bill, in exchange for "any direct or indirect benefit to the United States which he deems satisfactory."

How far the President can go in making international political use of these American billions can be gathered from article VII of the agreement which the Executive signs, with every recipient nation. That article provides that the

final settlement of this debt to us shall be such "as to promote mutually advantageous economic relations and the betterment of world-wide economic relations; to further the elimination of all forms of discriminatory treatment in international commerce, and the reduction of tariffs and other trade barriers; and in general to promote the attainment of the economic objectives set forth in the joint declaration made on August 14, 1941, by the President of the United States and the Prime Minister of the United Kingdom."

That article was never submitted to Congress.

And then, something which is rather significant which we did not know about:

It has been disavowed by a unanimous vote of the Committee on Foreign Relations of the Senate. Nonetheless, it pledges American resources for the world-wide enforcement of the Atlantic Charter and whatever else the Executive may decree.

This committee, Mr. Crowley, as I sense the sentiment, feels that lend-lease is not intended primarily for that kind of unique assault and adventure all over the globe, but was intended primarily as a war measure and as a measure for advancing the war with lend-lease. We would like to have your explanation of that article, which was written by Senator O'Mahoney and which has been published in a magazine with over 3,000,000 subscribers or readers.

MR. CROWLEY. I will be very happy to put something in the record at this point.

MR. MUNDT. I will not ask your comments on it now.

MR. CROWLEY. I could not comment on it now, but I will be very happy to look into.

(The information requested is as follows:)

#### STATEMENT OF SENATOR O'MAHONEY'S ARTICLE IN READER'S DIGEST

In the Reader's Digest for August 1943 Senator Joseph C. O'Mahoney stated that "Congress has appropriated \$18,000,000,000 for lend-lease. But from funds appropriated by Congress for other purposes, some fifty additional billions have been transferred to this agency by Executive order."

This statement, like others which I have commented on during these hearings, seems to be based on a misapprehension of the character and use of lend-lease funds. I should like to take this opportunity to explain how these appropriation statutes operate in order to clear up such misapprehensions.

First, I would like to make it clear that no funds appropriated by Congress for other purposes have been transferred to the agencies administering the Lend-Lease Act—the Lend-Lease Administration and the Foreign Economic Administration.

The Congress has made available to the President, for direct lend-lease use, funds totaling \$24,683,629,000. In addition, acts appropriating funds to the War and Navy Departments have provided for transfer of articles and services under lend-lease, obtained from such appropriations, with a maximum value of \$35,970,000,000. The Congress has also authorized, with certain limitations, the leasing of naval ships and of merchant ships constructed with funds appropriated to the Maritime Commission.

The transfer authorizations do not provide for the transfer of funds to the agency administering the Lend-Lease Act. They provide only for the transfer of articles or services to lend-lease countries. The authorizations represent a maximum amount, and they do not mean that transfers up to that amount will necessarily be made.

In connection with the transfer authorization provision in a War Department appropriation bill, the House Committee on Appropriations made the following statement:

"This provision is in the interest of prompt and effective utilization of the defense articles to be produced with these funds in whatever theater of action or by whatever nation they can the most effectively be used against the common enemy. It does not relax the requirements of the Lend-Lease Act as to an accounting between the nations to which the material is furnished and the United States nor as

to the agreements between them and the United States respecting the defense articles. It does mean that in placing orders for procurements it is not necessary in advance to allocate the amounts for the account of lend-lease and keep those procurement funds separate from procurement funds for our own account. The determination as to use and allocation will be made after procurement and all other provisions of the Lend-Lease Act will be as applicable as though the funds had been appropriated specifically in lend-lease appropriation titles. All of the benefits of flexibility for use are attained without loss of any of the requirements of the Lend-Lease Act."

Total lend-lease aid provided to our allies to December 31, 1943, amounted to approximately \$20,000,000,000. Of this amount, fifteen billions came from the appropriations to the President. The remaining five billions came from appropriations to the War and Navy Departments and the Maritime Commission.

No funds have been expended for lend-lease aid except those specifically authorized by the Congress for that purpose. The only Executive orders concerning such funds are those delegating first to the Lend-Lease Administration, and subsequently to the Foreign Economic Administrator, powers conferred upon the President by the Lend-Lease Act. There have been no Executive orders issued in connection with transfers under lend-lease of articles or services by the War and Navy Departments and the Maritime Commission.

Lend-lease appropriations and transfer authorizations have been made by Congress in such volume as to enable us to devote our resources to winning the war in the most effective and speedy manner. To January 1, 1944, only one-third of all the funds appropriated for lend-lease purposes had been expended. We have had sufficient funds to carry on all lend-lease activities. We do everything possible to make certain that every lend-lease shipment will directly speed the prosecution of the war.

Reference was also made to the fact that article VII of the master lend-lease agreements "was never submitted to Congress. It has been disavowed by a unanimous vote of the Committee on Foreign Relations of the Senate. Nonetheless, it pledges American resources for the world-wide enforcement of the Atlantic Charter and whatever else the Executive may decree." Article VII does not pledge American resources for anything. It states certain broad principles of post-war economic policy and assures lend-lease governments that the United States will not insist on a settlement contrary to these principles.

The report of the Foreign Relations Committee, which Senator O'Mahoney must have in mind, is that of March 10, 1943; extending the Lend-Lease Act. Far from "disavowing" article VII this report stated: "Article VII indicates the type of economic action which may be contemplated. It is not a commitment which binds either of the legislative bodies of this Government. For example, article VII does not authorize the reduction of tariffs or commit the United States to other measures which under the Constitution must be adopted by the Congress or by either branch thereof. So far as action by the United States is concerned, it is to be expected that conversations under article VII will result in proposals of policy which will be dealt with in each case according to the normal course of our constitutional procedure. Nothing in section 3 (b) of the Lend-Lease Act or article VII of the Master Lend-Lease Agreements, affects the way in which this Government will decide the kinds of economic action it will take. The committee believes that there is no authority in the Lend-Lease Act to warrant any general post-war commitments or post-war policies in agreements made under the terms of the Lend-Lease Act."

Mr. MUNDT. I have a few other questions.

On these pages which are not numbered, I notice on one chart you give a dollar value of lend-lease exports for a long list of countries, and on a previous chart you give a total of the same value of lend-lease exports for all countries but do not list as many countries in the first list as in the second. I wonder why that was.

Mr. Cox. Countries to which lend-lease exports go, for example, may be part of the United Kingdom. For example, let us take things that go into the construction of some of the major installations in Ceylon. The United Kingdom is responsible for the supply moving to a great many possessions; we would not look to Ceylon to sign a separate lend-lease agreement as it is a constituent part of the United Kingdom.



Mr. MUNDT. Well, all these countries appearing in the chart show the designation of lend-lease allotments which do not appear on the second chart showing where the agreements have been drawn. Where agreements have not been drawn is it that they are part of the United Kingdom?

Mr. Cox. Oh, no; not all part of the United Kingdom; Surinam, for example, is a part of the Dutch Empire.

Chairman BLOOM. Is that all?

Mr. MUNDT. No, Mr. Chairman. Over the week end I read every word of this confidential report and I found it very interesting and informative and I found it answered many of the questions which we asked previously. It also gave rise to some new questions.

I want to read this statement from the report on the United Kingdom. I cannot give you the page number but it is in the secret information. It reads as follows [reading confidential information]:

In November 1943 it was agreed that capital goods, such as machine tools, petroleum refinery equipment, pneumatic tools, and other industrial equipment, because these have a reasonably long life and would probably have a post-war as well as a war value, would no longer be on the list of lend-lease articles. Purchases of such material by the British in this country henceforth will be paid for in cash by them. Another agreement has been reviewed whereby Icelandic fish heretofore supplied to the United Kingdom as lend-lease by the United States will be removed from the lend-lease list.

I want to say that is an encouraging development and I feel that it was justified.

Chairman BLOOM. Mr. Crowley agrees with you.

Mr. Mundt, you may proceed.

Mr. MUNDT. The next I want to read is a confidential statement from "Africa 3" as follows:

Our shipments of civilian goods to French Africa in recent months have consisted largely of iron and steel for the maintenance of essential railways and port facilities; machinery and parts for utility plants; tractors and other farm implements; glass and paper; and foodstuffs, such as sugar and milk, needed to sustain the health of the local population and to make it possible for it to mine and produce strategic and other essential supplies to aid the Allies' war effort.

Restoration of the industries of French North Africa is progressing. For example, we are assisting in getting into the most effective production an iron mine in Ouenza that produces high-grade ore needed by the United Nations. We are also aiding in putting back into production the phosphate mines that were badly damaged during the fighting in Tunisia.

As a result of the rapid revival of agriculture, French North Africa is supplying substantial amounts of foodstuffs, especially cereals and vegetables, to our forces in the Mediterranean area.

I am wondering what the relationship of our activities is going to be to that. It seems to me that is practically a projection of U. N. R. R. A. Once it gets under way, that is the rehabilitation of those countries which have been captured, like Italy.

Mr. CROWLEY. As I understand it, U. N. R. R. A. will operate only after the period of military control has ended and that during the military period the F. E. A. will assist the Army in the provision of supplies needed as a matter of military necessity for the civilians in any liberated area.

Mr. MUNDT. I am wondering why this kind of expenditure would continue under lend-lease once U. N. R. R. A. becomes operative.

Mr. Cox. In a liberated area in all probability U. N. R. R. A. will function, after the military period is over. However, you have some border line cases to consider. For example, in Russia today

some of the cities which have been destroyed are directly tied in with the supply lines and the movements of troops on the battle front, so even if U. N. R. R. A. is set up, it would be a matter of Lend-Lease rather than U. N. R. R. A. We do not think any one can answer definitely what the situation might be in all cases.

Mr. MUNDT. Well, here we have a case where French Africa has been liberated. A civilian government was set up, and I am wondering if you have arrived at a formula that you can tell the committee about by which you will operate in the future when U. N. R. R. A. becomes operative which will determine when lend-lease steps out of this picture in the matter of rehabilitation, for example, when, U. N. R. R. A. steps in.

Mr. CROWLEY. Certainly it has always been my intention, Congressman, just as soon as the Army vacates its control in an area, that we would step out and it would be U. N. R. R. A.'s job to take care of the emergency relief and needs in that territory.

Mr. MUNDT. That is just exactly the statement I hoped you would make, because it seems to me since we have established U. N. R. R. A. it is the logical function of that organization to do that type of thing just as soon as the military period is over.

Mr. KEE (acting chairman). Is that all, Mr. Mundt?

Mr. MUNDT. No, Mr. Chairman.

I find my last question was answered by the information furnished, so you will not have to answer that. I will move on to another question.

Do you have total costs? Would it be possible in connection with the farm-machinery figures which you are preparing for me, to prepare a chart, something similar to the one you have prepared on all these other implements, wherein you show the percentage of lend-lease exports as contrasted with the total?

Mr. CROWLEY. Yes, sir; we can do that and will furnish it for you.

(The data appear on p. 47).

Mr. MUNDT. And could you also prepare a chart showing your exports in percent of the national income? That type of chart would be very illuminating. I wonder if you could prepare a similar chart of war expenses in contrast to the percentage of the national debt, showing how they have gone up in the various countries, listing the same countries as you have in the chart, "War expenditures in percent of national income."

It seems to me to complete the picture we should show how the national debts of the various countries have gone up in comparison with their war expenditures, and also how their taxes and revenues have gone up. Then we would have the complete picture before us.

Mr. Cox. We will try to do that, but as you will realize, we have questions of evaluation to consider because all the Government debt structures vary. For example, you could not reasonably compare a country like Russia to others like the United Kingdom as there is a completely different kind of a problem that exists in the two places.

Mr. MUNDT. I do not believe Russia is listed. You have Canada, Australia, the United Kingdom, Japan, and Germany. We do not care about the enemy countries so much, but in regard to Canada, Australia, the United States, and the United Kingdom, possibly you can do that. To make a comparison we surely need those other figures in regard to the war and the national income.

Mr. Cox. Yes. We will be glad to furnish that information.  
(The information requested is as follows:)

## COMPARATIVE PUBLIC DEBT

Evidence was presented to the House Foreign Affairs Committee during the hearings on the extension of the Lend-Lease Act concerning the comparative war expenditures of several of the United Nations. It was pointed out that the proportion of gross national production being spent for war purposes affords one of the best measurements of the war effort of a country. Mr. Mundt asked if it would be possible to relate the gross public indebtedness of these countries to their gross national production.

The following table states the gross public debt of the Central Government as of December 31, 1943, as a percentage of the estimated gross national production during 1943:

United States.....	89
United Kingdom.....	204
Canada.....	134
Australia.....	91

If the debt accumulated before the war is disregarded and the increase in the gross national debt from January 1, 1940, through December 31, 1943, is stated as a percentage of gross national production during 1943, the following results are obtained:

United States.....	67
United Kingdom.....	111
Canada.....	60
Australia.....	72

The relationship between public indebtedness and gross national production is a useful indication of the financial burden which the war effort is imposing upon a country but it cannot be considered a final measurement of this burden. A country which is financing a comparatively small proportion of its current expenditures from current income will have a rapidly rising debt while a country which imposes a more rigorous taxation system will show a relatively slight increase in indebtedness. Yet, it certainly cannot be maintained that the population which is paying larger current taxes is making a lesser financial sacrifice than the population which is paying lower taxes. Thus, for example, there are sharp variations in the percent of 1943 expenditures which were financed from current income (primarily taxation):

United States.....	39
United Kingdom.....	51
Canada.....	51
Australia.....	42

If central government taxation during 1943 is stated as a percentage of the estimated gross national product during 1943 similar results are obtained:

United States.....	18
United Kingdom.....	31
Canada.....	28
Australia.....	24

It is apparent that in both Canada and the United Kingdom the public debt in relation to productive capacity is much greater than in the United States or Australia despite the fact that Canada and the United Kingdom have much more rigorous taxation systems. The wartime increase in the public indebtedness of the United States has been very great in monetary terms but in proportion to our resources the increase has not been larger than that of our allies despite the fact that we are obtaining a relatively small part of our war finance from taxation and a relatively large part through borrowing.

Mr. MUNDT. Mr. Chairman, I am happy to tell you that was my last question.

Mr. KEE (acting chairman). Mrs. Rogers, have you any further questions?



Mrs. ROGERS. Mr. Crowley, are you for the manufacture of locomotives in any foreign countries?

Mr. CROWLEY. What do you mean, am I "for the manufacture of locomotives"?

Mrs. ROGERS. Well, do you favor the building of locomotives in foreign countries under lend-lease?

Mr. CROWLEY. Have we erected any buildings for the purpose of manufacturing locomotives?

Mrs. ROGERS. Yes, have you provided lend-lease funds for the purpose of manufacturing locomotives in any foreign countries or are any locomotives being manufactured in foreign countries with lend-lease funds?

Mr. CROWLEY. No.

Mrs. ROGERS. I was told that some were being manufactured under lend-lease and that they were manufacturing them over there.

Mr. COX. No, but of course machine tools or other equipment sent under lend-lease may be used for manufacturing locomotives.

Mr. KEE. Mr. Chipperfield, have you any further questions?

Mr. CHIPPERFIELD. Mr. Crowley, there is a chart showing allocations and obligations for lend-lease funds, and in that chart appear minus signs, and to keep the record straight I would like to have you indicate what those minus signs mean on those charts.

Mr. CROWLEY. Mr. East can answer the question.

Mr. EAST. That represents money turned back that was allocated to the agency.

Mr. CHIPPERFIELD. That is what I understood.

(Discussion off the record.)

Mr. CHIPPERFIELD. I wondered why in this file so many things are marked "Secret." From reading them I think it would be very good to have most of that information go out to the country. It would check so many of the rumors that are going around, and in this brochure are the answers.

Chairman BLOOM. It is not secret any more.

Mr. MUNDT. That applies to my questions.

Mr. COX. We will go over it and get clearances from the various departments so we can put it on a nonsecret basis, and that should cover much of the material in this binder.<sup>1</sup>

Mr. KEE. That was the understanding we had the other day.

Mr. CROWLEY. We are clearing with the various groups.

Mrs. BOLTON. That is one of the most important things which came out of these hearings.

Chairman BLOOM. Have you any questions, Mrs. Bolton?

Mrs. BOLTON. No question.

Chairman BLOOM. Mr. Gordon, have you any question?

Mr. GORDON. No question.

Chairman BLOOM. Mr. McMurray, have you any question?

Mr. McMURRAY. I have no question, Mr. Chairman. However, I would like to compliment Mr. Crowley and Mr. Cox, and the Lend-Lease Administration for one of the best jobs of reporting to the committee I have ever seen. The material they have furnished us obviates most of the questions that arise in most of our minds, and I might say, as has been pointed out here before, it gives the lie to a

<sup>1</sup> See appendix A.

lot of the dirty rumors which have been going around about lend-lease. I thank you.

Chairman BLOOM. Mr. Schiffler, have you any question?

Mr. SCHIFFLER. Mr. Chairman and Mr. Crowley, I listened with interest to the reading of that magazine article by Mr. Mundt. I am wondering if the answer to that is not in the law itself. The law as passed by the Seventy-seventh Congress provides, in subsection 3 (b):

The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

The President, in his initial statement of a year ago, used language which was later withdrawn, but I think it is entirely within his discretion, in which he said:

Congress in passing and extending the Lend-Lease Act made it plain that the United States wants no new war debts to jeopardize the coming peace. Victory and a final peace are the only coin in which we can be repaid.

I wonder if he was not acting completely within the scope of the act when he assumed that the terms of repayment were victory.

Mr. CHIPERFIELD. Will the gentleman yield at that point? You also want a secure United States, do you not?

Mr. SCHIFFLER. I am giving you the law as it was originally passed. I think it was discretionary with the President and he stated it in his statement of last year that the coin of payment was to be lasting peace. I think it was discretion vested in the President at the time of the original passage of the law. That was not what I intended to ask about.

Mr. MUNDT. May I say that does not go to the nub of the question in regard to the joint policy of the Prime Minister of the United Kingdom and the President of the United States; and you have Senator O'Mahoney saying: "It has been disavowed by a unanimous vote of the Committee on Foreign Relations of the United States Senate."

Mr. SCHIFFLER. I cannot answer in regard to the disavowal. I am merely citing the law and the definition that the President gave to that law and of the coin of repayment. Whether there has been disavowal of that is immaterial. The original law vested discretion. I am not defending the law. I was not here at the time of its passage, but if it is to be legislated at this time through an amendment of the law, I say that the original law as it was passed leaves the matter entirely to the President.

Mr. MUNDT. I believe that the President exercised the right to "revise and extend his remarks" by withdrawal of that statement he made.

Mr. SCHIFFLER. That may be true, but still I do not think it removes the original authority conferred upon him, and until that is revoked the President has the right to determine the kind of payment.

Mrs. BOLTON. You will recall we had a discussion at various times over the wording of the original law and the possibility of changing it when it would be renewed. The discussion centered around the little "deems." That is the word that gives the President the power. Discussion centered over the use of the word.

Mr. SCHIFFLER. That is correct.

I want to take up that angle of it and ask a few questions with a view to developing other things that may be of importance in this hearing.

Mr. CROWLEY, we have from time to time made large shipments under lend-lease of capital goods, in some instances of oil manufacturing plants, and sending them to Russia. What will be the policy in the future with respect to capital goods, things which are capable of reproduction and of lasting benefit to the nation to which they are sent? Are you thinking of discontinuing that policy, or will that policy be continued? Have you a table showing that information?

Mr. CROWLEY. I do not know that we can give you a table showing that information. It is reasonable to assume, Congressman, I think, that as production is established in most of these countries like our own, that the need for new capital goods would be reduced. However, you have in the case of Russia, where a large part of their industry has been destroyed, a case where you may want to give them some additional facilities in order that they might be able to help themselves and not make such a demand upon our labor and our industry.

Mr. SCHIFFLER. That would be a matter for U. N. R. R. A. rather than Lend-Lease.

Mr. CROWLEY. No; it is a matter for Lend-Lease and the military during United Nations military activities and during the period of military control.

Mr. SCHIFFLER. I noticed in the morning paper that we supplied 28,000 planes abroad and a large portion of them have gone to Russia and they got it by lend-lease. Don't you think that the time has arrived that in those countries, especially in the European theater, Lend-Lease can adopt a policy whereby we can taper off capital goods? I am not speaking of the Far East theater, where for a time it may be desired to continue.

Mr. CROWLEY. I would certainly be in favor, Congressman, of reducing it just as rapidly as we possibly could.

Now, of course, we do have to produce and deliver whatever the strategic demands of the war may require, but the question of production is something which can be studied to see whether we can reduce the amount of capital goods which we might be giving them.

Mr. SCHIFFLER. What about the retention of capital goods in South American countries? Is it not possible to greatly reduce it, if not discontinue it?

Mr. CROWLEY. Well, the amount that we have given to South America on lend-lease hasn't amounted to very much, Congressman. I think it was brought out that only about \$127,000,000 of aid has been furnished to the South and Central American countries, and that has been spent for munitions and items of direct military significance.

Mr. SCHIFFLER. Mr. Crowley, what do you know about the shipment of arms to South American countries? I am thinking particularly of Bolivia, Peru, and Chile; and, of course, originally to the Argentine. Has the shipment of arms continued?

Mr. CROWLEY. No ammunition or guns have gone to the Argentine; no lend-lease at all.

Mr. SCHIFFLER. What is the status of lend-lease today, particularly with reference to Chile and Peru? Are we still extending lend-lease to those countries?



Mr. COX. We have provided small amounts of lend-lease aid, to these countries as determined by our military authorities.

Mr. SCHIFFLER. I wonder if any amount of lend-lease funds are being expended in Spain for the purchase of articles of war or articles of defense which might be transshipped.

Mr. CROWLEY. None at all on lend-lease.

Mr. SCHIFFLER. None at all on lend-lease?

Mr. CROWLEY. That is right.

Mr. SCHIFFLER. Do you know of any other expenditures being made there at that time?

Mr. CROWLEY. Yes, we have through the United States Commercial Company done some procurement there, in conjunction with the State Department.

Mr. SCHIFFLER. Have those purchases been of recent date?

Mr. CROWLEY. Yes, we have been doing some purchasing there right along. It is preclusive buying to keep materials away from the enemy.

Mr. SCHIFFLER. What has been the type of goods which have been purchased in Spain?

Mr. CROWLEY. Mostly wolfram.

Mr. SCHIFFLER. Are you able to tell as to the amount of transfer from the various supplemental appropriations to lend-lease? That is, from the \$35,000,000,000 carried in supplemental appropriations subject to transfer.

Mr. COX. It is about 20 percent of the total lend-lease, amounting to about \$4,000,000,000 worth of supplies from those appropriations.

Mr. SCHIFFLER. That would leave something over \$31,000,000,000 from those funds subject to transfer. Is that correct?

Mr. COX. I doubt it very much. It would depend upon how much of the War Department's appropriation remains unexpended and whether the supplies procured from their funds are now in the hands of our own Army.

Mr. SCHIFFLER. And we have unexpended for the year about \$4,000,000,000 in the direct account of Lend-Lease?

Mr. COX. About two billion unallocated. I think the figures are in the file. The allocation of February 29 was \$22,568,626,000. That is all in the binder.

Mr. SCHIFFLER. That would represent, roughly, about \$2,000,000,000 unallocated?

Mr. COX. Yes, sir.

Mr. SCHIFFLER. Plus the \$31,000,000,000 in other funds which might be transferred and used for lend-lease. With that situation, now, do you think it is necessary to have a lend-lease appropriation for the current year?

Mr. COX. I think it is clear we need a new appropriation. The transfer authority is in the form of direct appropriations to the War, Navy, Maritime, and other departments and agencies for the procurement of war items like anti-aircraft guns, airplanes, and so forth. There are no funds available there for the procurement, for example, of steel to manufacture bombs in the United Kingdom, or to procure food for the feeding of the Red Army, or the soldiers or war workers in Britain; and unless you had an appropriation you could not continue with that part of the war program at all.

Mr. SCHIFFLER. Well, could the appropriation for the next fiscal year be restricted to the items you have indicated and the balance of the fund of lend-lease used from the unallocated fund and all transferred funds?

Mr. Cox. No, Congressman. Since Pearl Harbor we have not had any appropriation, for example, for aircraft, ordnance stores, and those sorts of items; the appropriations have been for agricultural and industrial commodities, merchant shipping, and things other than those procured by the Army and Navy and Maritime Commission.

Mr. SCHIFFLER. Have you evaluated the merchant shipping, aside from all other cash made available?

Mr. Cox. Yes, sir.

Mr. SCHIFFLER. What is the figure on that?

Mr. Cox. Do you want the ships which have been lend-leased or the ships lend-leased with the shipping service?

Mr. SCHIFFLER. I would like to have it both ways.

Mr. Cox. It is just over \$2,073,000,000 for water craft and all the services that go with that.

Mr. SCHIFFLER. Then under all the allocations, appropriations, and transfers, we would have made available for lend-lease for all purposes approximately \$62,000,000,000, would you not?

Mr. Cox. Well, I do not think it is quite accurate to put it that way, because although the War Department had the authority to turn over \$35,000,000,000 worth of supplies, actually they retained most of the supplies for our own Army and nowhere near \$35,000,000,000 remains. As a matter of fact, it has run in many cases the other way. There have been nearly one-half billion dollars of lend-lease supplies, for example, which have been turned over to the War and the Navy Departments and the Maritime Commission to meet their emergency needs. For example, after Pearl Harbor, airplanes and other equipment were turned over under lend-lease procurement to our Air Force through the authorities in the War and Navy Departments.

Mr. SCHIFFLER. They might still make that gross fund available for common defense.

Mr. Cox. No, sir, because, as I have said, most of this fund was used to equip our own Army.

Mr. SCHIFFLER. Irrespective of how it may be transferred or how used, there is still a gross fund of ultimately \$26,000,000,000 which can be made available under the direction of the President for help to our allies in this war?

Mr. Cox. No, I think not.

Mr. SCHIFFLER. Either for fighting ships, repair work, or munitions or anything of the kind.

Mr. Cox. That is right, but only to the extent of the funds remaining.

Mr. SCHIFFLER. What expenditures, for instance, have you been making in foreign countries?

Mr. CROWLEY. Expenditures?

Mr. SCHIFFLER. Yes.

Mr. CROWLEY. I believe total purchases outside the United States amount to \$570,000,000 out of the total of nearly \$20,000,000,000 of lend-lease aid through December 31, 1943. In general, purchases are

made abroad only to conserve shipping and to relieve the drain upon our own materials which are in very short supply.

I believe Mrs. Rogers asked for a list of the articles that had been supplied under lend-lease.

Mr. SCHIFFLER. Could you supply a list of the articles that have been supplied under lend-lease, as was asked by Mrs. Rogers?

Mr. CROWLEY. A list is being prepared. Now you have anywhere from 20,000 to 30,000 items and they will have to put somewhat in categories. Do you want us to go to the great trouble of accumulating all those 20,000 or 30,000 items?

Mr. SCHIFFLER. I beg your pardon.

Mr. CROWLEY. Do you want us to go to the labor of putting 20,000 to 30,000 items in the list?

Mr. SCHIFFLER. I am not interested in the items, but I am interested from the standpoint of capital goods, ships, guns, munitions. I am interested in capital goods because I find many of those listed in capital goods are also being ordered under U. N. R. R. A.; and what I am trying to do is analyze their effect, particularly on our agricultural economy, through the withdrawal from this country under lend-lease of such equipment, and also under U. N. R. R. A. of this large amount of agricultural machinery.

Mr. CROWLEY. Let me say to you, Congressman, that I do not think you will benefit by listing twenty to thirty thousand items.

I agree with you that when you get to the point that U. N. R. R. A. has an appropriation, that before supplies can be bought and procured in this country they will have to be screened through the various agencies of the Government to see what we can best supply without detracting from the supplies needed to maintain our own economy, and that is what you have got back in your mind.

Mr. SCHIFFLER. That is what I have in my mind.

Mr. CROWLEY. I do not think we can approach that problem by putting in this record a list of lend-lease items. The preparation of that list would mean an enormous amount of useless work, to my mind. I agree with you in the broad principle which you are talking about and which you mentioned the other day. I am sure we have it in our mind and I am convinced when we go before the Appropriations Committee for our appropriation for U. N. R. R. A., that that is going to be discussed. We are very mindful that U. N. R. R. A.'s needs, must be weighed in the light of the needs of our armed forces, our civilian populations and lend-lease needs.

Mr. SCHIFFLER. Yes; I am thinking of the peace from the standpoint of our own economy.

Chairman BLOOM. Mr. Schiffler, the Chair would like to put this question: Then you withdraw your request for that information?

Mr. SCHIFFLER. It was not my original request, but Mrs. Rogers asked for it.

Mr. CROWLEY. We will have to see Mrs. Rogers to find out what she is particularly interested in. We have to do as much as we possibly can to conserve our F. E. A. manpower and it just does not add anything, to my mind, to this report to put a lot of people working night and day to list twenty or thirty thousand items. I agree with you in principle.

Mr. SCHIFFLER. I have not asked for it and I cannot waive it. I was interested in seeing it only from the standpoint of the items, in



regard to the withdrawal of capital items and their transfer elsewhere.

Mr. CROWLEY, have the South American countries reciprocated in any instances of lend-lease? I notice they have signed a reciprocal lend-lease agreement.

Mr. COX. Under the South American lend-lease agreements the other American Republics pay in cash in part for lend-lease supplies. Those agreements are kept secret for the reasons explained to you last year.

Mr. SCHIFFLER. Has there been new capital supplied under these agreements?

Mr. COX. No.

Mr. SCHIFFLER. That is all.

Chairman BLOOM. Have you any questions, Mr. Mansfield?

Mr. MANSFIELD. Mr. Crowley, according to the report the present method of acquiring lend-lease material is satisfactory to most of the countries allied with us in this war. Now is that so in the case of China? Is China satisfied with the amount of lend-lease material it is getting and the representation which it had in having its needs considered by the Combined Munitions Control Board?

Mr. CROWLEY. Congressman, I do not know if you could say that all or any of the countries are "satisfied." That is quite a contract for a fellow to take on. I think that everything is being done, Congressman, to give China as much consideration as can be given to it, taking into consideration the existing situation which involves transportation and other factors. We have Mr. Orchard, who has the China Division as a part of his responsibilities, and I know he will be glad to answer any questions you have in mind; but I would not want to make a statement that any of our allies are completely satisfied with all we are giving them, any more than I would say that we are completely satisfied with what we are getting from reverse lend-lease.

Mr. MANSFIELD. From the press reports it appears that the British and the Russians are quite satisfied and, according to the reports which we read from time to time as to the amount of goods which are sent to them, they are being pretty well taken care of, and that includes the munitions of war as well as food supplies. You have the Combined Munitions Board, but the Russians and the Chinese are not represented on it; and, as I recall, one of the Army officers said the other day, an American Army officer represents China, when that country's needs are considered by that particular Board, but no Chinese is given that kind of position or standing.

Mr. CROWLEY. I would like Major Ogden in the International Division of the Army Service Corps, to answer the question.

Chairman BLOOM. Will you answer the question asked by Mr. Mansfield?

Major OGDEN. Yes, sir; I mentioned the other day that an American Army officer represents the Chinese and another American officer represents the Russians when it comes to a case of assigning war matériel.

Mr. MANSFIELD. Why, if you can answer this, are not the Russians and the Chinese given equal representation?

Major OGDEN. As I recall, the Secretary of War answered a similar question to the effect that this was United States production and United Kingdom production which was put under the jurisdiction of the Combined Chiefs of Staff.

There is a Board in Washington known as the Munitions Assignment Board which handles those matters here, and there is another Board in London which makes assignments there.

Mr. MANSFIELD. That is a very satisfactory answer, Major; I thank you very much. All materials that are shipped to China are dispatched through General Stilwell? Thus it goes through his hands?

Mr. CROWLEY. Most of it is.

Mr. MANSFIELD. For a number of years this country has been making extravagant promises to China and not keeping them. I happen to know that the Air Transport Command and the China National Aviation Corporation are both speeding up the amount of tonnage they are handling and increasing it. They are speeding up and increasing the amount of tonnage going into China. Now is it true that at the present time there are more actual lend-lease supplies going into China by air each month than there was at any time for any comparable month carried over the Burma Road?

Mr. CROWLEY. Yes; that is correct.

Mr. MANSFIELD. All right. I also understand that most of the supplies for China are going over the Himalayas, over the "hump" as you gentlemen are pleased to refer to it. Has there been any attempt made to develop alternative routes so that greater amounts of supplies could be sent into China?

Mr. CROWLEY. I will refer to Mr. Orchard, director of the General Areas Branch.

Mr. ORCHARD. There is a new highway being constructed from Ledo in northeastern Assam, India, at the end of the railway from the port of Calcutta. This highway has been mentioned in the press a number of times during the last few days. When completed it will cross northern Burma and will connect with the old Burma Road at Lungling in western Yunnan, China. The highway distance from Ledo to Kunming will be approximately 1,000 miles, somewhat more than half of which is over the old Burma Road and somewhat less than half over the new road. It is my understanding that the construction of the new highway is progressing very satisfactorily. The work is being done by United States Army engineers using modern equipment. The engineers are being protected by Chinese troops trained in India and equipped with material supplied under lend-lease. These troops are giving a very good account of themselves. They are fighting forward against the Japanese and the construction of the highway is following immediately behind them.

Mr. MANSFIELD. Mr. Orchard, if I may ask you further, is there any possibility that the Russian railways could be developed for the transportation of supplies, say from Iran on the Persian Gulf, to connect with the Sinkiang caravan route.

Mr. ORCHARD. Negotiations are now being carried on between the Chinese and Soviet Governments in regard to the use of the Northwest Highway from India across Iran and Russian Turkestan and then into China by way of Sinkiang.

Mr. MANSFIELD. It is still being considered?

Mr. ORCHARD. It is still being considered.

Mr. MANSFIELD. Now, Mr. Crowley, I did not get back my lend-lease report.

Chairman BLOOM. Did you look in your drawer for it?

Mr. MANSFIELD. No. It is my impression, from reading one of the statements made in this report, that the British were no longer being given such things as machine tools and various types of like equipment under lend-lease, but are now paying for the same.

Mr. CROWLEY. That is correct.

Mr. MANSFIELD. Are any machine tools and equipment being flown into China at the present time for the purpose of creating a war industry there which can function to such an extent that our materials which are being sent in could be cut down in total tonnage?

Mr. ORCHARD. May I answer?

Chairman BLOOM. Yes.

Mr. ORCHARD. We are providing raw materials and equipment which are being flown into China for use in the Chinese arsenals for the manufacture of small arms and ammunition. We are endeavoring to maintain in India an adequate, balanced reserve of these materials which can be drawn upon at all times for movement into China as transport facilities become available. Additional material is on order or in production here in the United States so that a continuous flow of equipment and supplies to China may be assured.

Mr. MANSFIELD. Thank you, Mr. Orchard.

Getting back to this matter of industrial equipment being sent, it is my understanding that the greatest single factor in the matter of transportation into China is gasoline. What is being done at the present time to send in industrial equipment to develop the Chinese oil fields in the province of Kansu?

Mr. ORCHARD. We have a program for sending in certain oil equipment, not only for the drilling of wells but also for the refining of the petroleum.

Mr. MANSFIELD. Thank you.

Mr. ORCHARD. The program is being worked out very carefully since there is, of course, a serious problem in designing such equipment so that it can be flown in. It must be of a special type for that purpose.

Mr. MANSFIELD. Yes; is it possible, Mr. Orchard, that those wells in Kansu will be developed to such an extent that it will alleviate the difficulty caused by the lack of gasoline at the present time?

Mr. ORCHARD. It will relieve the shortage. I doubt, however, that it will solve the problem. I do not believe that high-octane gasoline suitable for aviation fuel will be produced and the fields are a very long way from the parts of China where the fighting is taking place. The transportation of the petroleum products will be a major problem.

Mr. MANSFIELD. It would not be very far off the northwestern caravan route.

Mr. ORCHARD. If the Northwest Highway is opened up, the Kansu oil fields will be an important source of motor fuel for use on the route.

Mr. MANSFIELD. In this matter of services, that covers a good deal in the amount of reverse lend-lease, doesn't it, Mr. Crowley?

Mr. CROWLEY. That is correct.

Mr. MANSFIELD. I wonder if you can give us some idea or if something could be put in the record to show what the general use of the term "services" covers.

Mr. Cox. For direct, reverse, or both?

(See explanation of lend-lease aid, appendix H, and discussion of reverse lend-lease, appendix A.)



Mr. MANSFIELD. Reverse particularly, but it might be a good idea to have both ways so that we could make a comparison.

There is another possibility. I do not suppose that in return for some of this lend-lease material that we are sending to different parts of the world that we could receive outright possession of various islands in the Pacific which are in dispute at the present time?

Mr. CROWLEY. Just as a practical businessman, Congressman, that is a little over my head. That is a matter of negotiation that would have to be taken up, as I see it, at the peace conference.

Mr. MANSFIELD. Now, one more question, and that gets back to the initial observation made by Mr. Schiffler about wool. Does lend-lease have anything to do with the importation of Australian wool in this country?

Mr. CROWLEY. As I understand it, we have not purchased any Australian wool, Congressman. That is all in the R. F. C.

Mr. MANSFIELD. And F. E. A. have nothing to do with it?

Mr. CROWLEY. No.

Mr. MANSFIELD. That is all. Thank you very much.

Mr. SCHIFFLER. On two occasions, Mr. Crowley, I read in the newspapers of the exportation to Great Britain of radios; in one instance 18,000 had been sent over for use by the Britons and sale in Great Britain, and in last night's paper over 50,000. The 18,000 spoken of were directly attributed to lend-lease. Last night's item said part of such were supplied by Lend-Lease and that they would not be offered for sale because the Board of Trade had not fixed the price. What is the situation with respect to the shipment of radios to Britain?

Mr. Cox. Radios themselves were sent primarily for military and naval uses. A small amount was shipped for essential civilian uses some time ago; also some time ago the policy was established that no radios would be shipped to the United Kingdom for civilian use under lend-lease. The same policy was followed with respect to radio tubes, and the ones that they are now receiving, the limited number that they are receiving for civilian use they are paying cash for them.

Mr. SCHIFFLER. I saw an article in one of the newspapers during the past few days in regard to it.

Mr. Cox. There was a story last night in the Evening Star, and a story before that by one of the radio manufacturers in answer to prior press story in which he denied the story they were going to civilians, and he said he knew about the production of these tubes. The major part of them even from the beginning of lend-lease were under military uses and a comparatively small amount were for vital civilian use.

Mr. SCHIFFLER. The story you referred to was the one I read in the Evening Star and it was dated with a London line. It said 50,000 radios.

Mr. Cox. Yes.

Mr. SCHIFFLER. And it said the British Board of Trade hadn't fixed the price. Do you think that is an authentic story?

Mr. Cox. I would say it is not, but we are checking it again to see where it came from and rechecking the facts. So far we have checked it four or five times and I am pretty positive it is not authentic.

Mr. SCHIFFLER. Thank you.

(The matter referred to is as follows:)

RADIOS EXPORTED TO THE UNITED KINGDOM

Since the passage of the Lend-Lease Act in March 1941, the United States exported 25,968 radio receiving sets to the United Kingdom under lend-lease, valued at \$2,672,397.

Most of these were military type radios and were used in the north African and Mediterranean campaigns and in the Allied bombing offensives against Germany. Those which were not for direct use by the military forces were needed to insure rapid dissemination of warnings and special instructions in connection with air raids.

While radios have been supplied to the United Kingdom under lend-lease, the United States has received radios from the United Kingdom under reverse lend-lease. Specialized British radio equipment for installation in the planes of the United States Army Air Force has given greater safety to our bomb crews and has improved the effectiveness of the American bombing missions.

Chairman BLOOM. Are there any further questions?

If not, the committee stands in recess until 10:30 o'clock tomorrow morning.

(Thereupon, at 1 p. m., the committee adjourned to meet on Wednesday, March 8, 1944, at 10:30 a. m.)

## EXTENSION OF LEND-LEASE ACT

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WEDNESDAY, MARCH 8, 1944

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, D. C.*

The Committee on Foreign Affairs met in the committee room, the Capitol, at 10:30 a. m., Hon. Sol Bloom (chairman) presiding.

Chairman BLOOM. The committee will kindly come to order. The committee has for further consideration H. R. 4254. We have the pleasure of hearing the Hon. Dean G. Acheson, Assistant Secretary of State.

Will you proceed, Mr. Acheson?

### STATEMENT OF HON. DEAN G. ACHESON, ASSISTANT SECRETARY OF STATE

Mr. ACHESON. Mr. Chairman and gentlemen of the committee. I have no formal statement, but I will make a short oral statement and answer any questions that your committee may have for me.

The general attitude of the Department of State toward the extension of the Lend-Lease Act has been so admirably stated by my superior, Mr. Stettinius, that I can add nothing to what he has said.

All I think it necessary for me to do is to bring the committee up-to-date on the agreements which have been made since I appeared a year ago before this committee.

At that time we gave the committee a full list of all of the lend-lease master agreements which had been made with the United and Associated Nations as well as the other lend-lease agreements of all types which had been executed. Since that time we have made certain other agreements and have others in negotiation.

On the 8th of June, 1943, a master lend-lease agreement was entered into with Liberia. That follows the same pattern of those which I discussed fully last year.

On August 9, 1943, a lend-lease master agreement was entered into with Ethiopia. Both of these agreements have been published and I have additional copies which I would be glad to make available to the committee.

We also have under negotiation similar agreements with Turkey, Egypt, Iran, Iraq, and Saudi Arabia. Those have not reached final agreement yet and, therefore, they are not in a position where we can release them.

Similarly since our last meeting we have had further discussions with the French. I informed the committee last year that on September 3, 1942, entered into a reciprocal trade agreement with the French National Committee in London. Some time later the landing



in north Africa took place, and in June 1943 the French Committee of National Liberation was formed.

On September 25, 1943, we entered into a temporary agreement with the new French committee covering our lend-lease relationships in north and west Africa. We are now working on a similar agreement with the French Committee of National Liberation pulling together our lend-lease relations with them in all territories which are subject to the jurisdiction of the French Committee, including the areas in the Pacific as well as in Africa and the Middle East.

On March 2, 1943, we entered into a lend-lease agreement with Chile; and we entered into a lend-lease agreement with Mexico on March 18, 1943.

The committee will remember that we pointed out last year how the South American agreements differed from the others, and stated that those South American agreements had not been made public on account of the military aspects of their provisions. The new agreements with Mexico and Chile have not been made public for the same.

That is the list of activities in the making of agreements which have gone on since I last appeared before this committee.

I think the only other matter which it is necessary for me to comment on—and it is hardly necessary to do that—is on the general aspects of settlement under the lend-lease agreements. We went into that matter very fully last year with the committee and the committee's report as well as the Senate committee's report gave a very full exposition of the principles underlying lend-lease settlements. I can hardly add anything to the very full and excellent statement which the committee made on that point last year. You will recall that the committee stated and Secretary Stimson again stressed or confirmed, when he appeared before you recently, that these are non-commercial settlements, and cannot be approached from the ordinary commercial standpoint; that they cannot be settled on the basis of payment in goods or on the basis of cash payments.

The committee will recall it pointed out last year a series of benefits which would flow and were expected under the act to flow to the United States through the lend-lease settlements.

First of all, the committee pointed out, and Secretary Stimson stressed again, that the chief benefit that the Government is looking for from lend-lease shipments is, of course, the use of those supplies in the prosecution of the war. That is why these materials are being transferred, to enable our allies to participate more vigorously with us in the conduct of the war.

Chairman BLOOM. And the winning of the war.

Mr. ACHESON. The chairman adds "the winning of the war," which is a proper addition.

Then we pointed out last year that we were receiving reverse lend-lease and you heard fully about that recently at a session of this committee.

Then there will be also the return of articles at the end of the war, which will be an important factor in this settlement.

Finally, there will be a larger field of what we called last year "forward-looking action," both in the economic and the political theater, through which benefits will accrue to the United States. In the economic field, the general scope of the program we can hope for,

as has been set forth, as has been pointed out to you, in article VII of the master agreement.

There are, of course, many other economic factors which are not specifically mentioned in article VII. That article dealt more with the general commercial and financial policies which both Governments would attempt to follow in the effort to bring about wider production and wider consumption of goods.

There are, however, important economic benefits in the field of communications, both telegraphic and in the field of aviation; then there is the broad question of access to essential raw materials which are needed both for our industrial life and for military security. Then there will be considerations to be weighed in the political field—arrangements for the security of our allies, which will lead to the greatest security of the United States, and to the effectuation of a world system for enforcing peace.

The achievement of our objectives on these matters, as we pointed out carefully last year, will be sought under the established constitutional practices of Government. There is nothing in the Lend-Lease Act which detracts from or alters in any respect the constitutional prerogatives of the Congress as a whole, or of the Senate as a treaty-ratifying body, or of the President, who is the person charged by the Constitution with wide responsibility in the conduct of foreign relations.

All these forward-looking actions will be taken under the constitutional system of the United States, and when all of these actions have been taken it is hoped that the United States will have achieved the benefits for which it has undertaken the whole lend-lease procedure—the achievement after military victory of a new chance in our time of peace and prosperity for the United States, in a secure and prosperous world.

I think, Mr. Chairman, that is a summary of my part in the lend-lease activities and I shall gladly submit myself to any questions which the committee may wish to ask.

Chairman BLOOM. Mr. Johnson?

Mr. JOHNSON. Mr. Chairman, I simply want to say that the witness has concisely stated what has been done. I know he has worked very hard on these master agreements over a long period of time. He knows all the facts and I think he has presented them admirably and so clearly that it would be merely a repetition to go over them again. I think he has set forth matters of fundamental importance in his statement and I simply desire to thank him and say I have no questions.

Chairman BLOOM. Dr. Eaton, have you any questions you wish to ask the Secretary?

Mr. EATON. I wish to corroborate and support the expressions of Mr. Johnson with reference to our distinguished witness this morning, in which I think the entire committee will agree.

What does Liberia furnish us on reverse lend-lease, or otherwise?

Mr. ACHESON. Liberia, Dr. Eaton, is an important link in the communications system with Africa and there are important advantages which Liberia has opened to us in the form of landing rights and sites for communications for both our military and civil aviation with Africa.

Mr. EATON. Would the same hold true in regard to Ethiopia?

Mr. ACHESON. I do not know that there is a great deal that Ethiopia can furnish us except in the way of agricultural products; I think not. However, I am not familiar with the details of our operations with Ethiopia, but I believe one of the things we have been hoping for is that by furnishing a certain amount of agricultural productive materials, Ethiopia might become the source of important food supply.

Mr. EATON. Are negotiations with the French Committee on Liberation, and not with the Vichy government?

Mr. ACHESON. With the French Committee of National Liberation.

Mr. EATON. We virtually recognize that as the French Government representing the French people; we do not officially recognize it, but in practice we do.

Mr. ACHESON. That is a matter of some delicacy. I think I will leave that to the President.

Mr. EATON. Now, Mr. Secretary, I am receiving from my devoted constituents frequently all sorts of rumors about "boondoggling" in South America by the lend-lease organization. Would you associate yourself with that problem for a moment?

Mr. ACHESON. Well, I would be glad to associate myself with the lend-lease part of it; I am not an expert on "boondoggling" or what has been done in other fields; but I do know that there has been a good deal of discussion of that subject in the Congress and in the press. The lend-lease agreements confine our programs in South American countries entirely to the military field. In our arrangements with them we have specified, as a result of staff talks between our military people and their military people, certain military items which each country felt was needed for the defense of that country and the defense of the hemisphere. These munitions items are all that have been furnished under the lend-lease agreements.

Mr. EATON. Just one more question, as I do not want to take up too much time, because Mr. Mundt has not come in and I am waiting for him. [Laughter.]

You have hastily sketched certain economic relationships which we hope to establish with the rest of the world if the war is won. Is it your view that the lend-lease organization will continue to operate and function in connection with those areas or will lend-lease as a war measure cease to exist when the war is won; and then other organizations will take up the problem of permanent relations, economic and otherwise, with the rest of the world?

Mr. ACHESON. As a matter of broad principle, I should think it was clear that lend-lease was a wartime measure. There will, of course, as the act contemplates, be a winding-up process. For instance, that is the problem which we will have to get to pretty soon.

Schedules have been made up of the materials which are requisitioned under lend-lease by the various governments. One of the problems growing out of the termination of the war will be to find a method for disposing of these articles which have been produced or are in production.

Mr. EATON. And that will remain as a function of lend-lease?

Mr. ACHESON. Yes, sir; under subsection 3 (c) of the act it is provided:

After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the



United States, neither the President nor the head of any Department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

As you will note, that gives a period of 3 years in which possible winding-up action can take place. There, I think, is a very wise provision and it is possible that arrangements can be worked out which will take off the taxpayer the cost of conversion of certain items which have been prepared under lend-lease, which may be useful to the country even though the war has stopped; some arrangements may be made by which those countries will take those goods under some kind of a payment basis.

Chairman BLOOM. Does not that subsection 3 (c) apply more to the benefit of our country than to the foreign countries? In other words, that is to provide that we will get what is coming to us and wind up things in our favor.

Mr. ACHESON. Both ways, Mr. Chairman. That section of the act provides that the act will come to an end either upon the termination of the war or the passage of a concurrent resolution by the two Houses. It says in subsection 3 (c) —

except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

Now, it may be desirable as we approach the end of the war where there is considerable material in process of production, to say to ourselves, "Here, we may be faced with the end of the war and with a lot of material on our hands, it is advisable to make an agreement." "Now, if the war comes to an end you will take this material and pay for it." I am certain it is wise, and highly desirable in connection with the liquidation of the war to have an orderly method for disposing of the commodities which have been produced under lend-lease.

Chairman BLOOM. How about lend-lease in reverse?

Mr. ACHESON. The same thing would be true in regard to that. I put this comment in as a minor qualification to my answer to Dr. Eaton. Apart from this possibility of liquidation contracts under section 3 (c) lend-lease would be wound up at the end of the war.

Mr. EATON. I understood your statement was to the effect that lend-lease organizations would not take away from any constitutional instrumentality of the Government any power in regard to the handling of international problems after the war. I understand that in effect lend-lease will not take away from, but it may add to.

Mr. ACHESON. It adds to our capacity in dealing with the recipients of lend-lease. It will be an important weight in the scale in negotiations in other fields, the fact that we are working for some sort of a benefit under the Lend-Lease Act. Therefore our position will be well rounded in dealing with other matters which are not primarily lend-lease in regard to matters of security and things of that sort.

Mr. EATON. That is all, Mr. Chairman.

Chairman BLOOM. Mr. Kee, have you any questions?

Mr. KEE. Mr. Secretary, you spoke of negotiations having commenced or agreements having been prepared to enter into lend-lease

agreements with Saudi Arabia, Iran, Iraq, and some of those other eastern countries?

Mr. ACHESON. That is true; yes, sir.

Mr. KEE. If such agreements were entered into with those countries, that would be in accordance with the terms of the master agreements made with the other European countries?

Mr. ACHESON. That is correct; yes, sir.

Mr. KEE. They would have to comply with the terms of those agreements in the same manner as the other countries?

Mr. ACHESON. Yes, sir.

Mr. KEE. There is no variation?

Mr. ACHESON. That is now what is under discussion. Almost every time you go into negotiations with some country they have some special language or clause or article which they want put into the agreement. It has been our effort to keep the agreements uniform. That requires a great deal of discussion back and forth before they come around to that point of view.

Mr. KEE. That is difficulty you are meeting now?

Mr. ACHESON. It is one of the things which is growing out of the discussion.

Mr. KEE. That is all.

Chairman BLOOM. Mr. Chipperfield, have you any questions you wish to ask the Secretary?

Mr. CHIPPERFIELD. Mr. Secretary, Judge Kee asked a question I had in my mind. I understand, then, that these new agreements follow the general pattern of the master agreement, and I suppose those agreements in South America will follow the same pattern of other South American agreements.

Mr. ACHESON. I think, broadly speaking, that is right.

Mr. CHIPPERFIELD. Do you contemplate entering into any new agreements which have not been mentioned here?

Mr. ACHESON. I think I have given you the whole file of existing agreements and the ones which are under contemplation.

Mr. CHIPPERFIELD. Of course considerable time has gone by. I imagine the pattern is pretty well specified now.

Mr. ACHESON. Yes.

Mr. CHIPPERFIELD. I am not contemplating that we are not going to extend the life of this act but I really would not see any particular reason why many new agreements would have to be made because lend-lease is almost in 100 places now.

You mentioned the agreement under negotiation with Turkey. Lend-lease aid is furnished, is it not, to certain countries, even though there is not a lend-lease agreement?

Mr. ACHESON. That is true.

Mr. CHIPPERFIELD. I believe there have been large amounts of lend-lease money spent in Turkey and also Saudi Arabia. I do not know exactly the amount but just because there is not a lend-lease agreement, it does not mean we have not been dealing in lend-lease goods in those countries?

Mr. ACHESON. That is quite correct; and lend-lease has always gone forward in advance of the agreement. In those cases the President makes the necessary finding that the defense of the country concerned is vital to the defense of the United States and the country then files the undertakings required by the act. Those are that it

will not transfer these articles without the consent of the United States and it will protect the rights of the American patent owners. Thereafter material goes forward subject to the conclusion of the final agreement. Now, of course, in the case of Turkey you can readily see that there has been a good deal of discussion because Turkey is not a belligerent and is not a United Nation; it is a neutral. Therefore, the terms of the agreement have caused a little bit of difficulty.

Mr. CHIPERFIELD. Do you take into consideration the attitude of a country when you are making negotiations for lend-lease?

Mr. ACHESON. We do that.

Mr. CHIPERFIELD. You make new lend-lease agreements?

Mr. ACHESON. Yes, sir.

Mr. CHIPERFIELD. How about reverse lend-lease agreements? Are you working on those in a number of cases?

Mr. ACHESON. You see, the master agreement provides, in article II, that the country concerned will do whatever it can for the United States. Then we in most cases enter into a specific mutual-aid agreement in which we put down what the country could well do. Those have been very largely made. Most of the countries have those with us.

Mr. CHIPERFIELD. And, of course, in regard to the South American lend-lease agreements, they call for payment in cash for at least a part of what we furnish?

Mr. ACHESON. That is correct; yes, sir.

Mr. CHIPERFIELD. Now, you mentioned a 3-year period in which we wind up lend-lease. Do you contemplate it will take 3 years to wind up lend-lease?

Mr. ACHESON. No; I only referred to the provisions of the act. The act refers to a 3-year period. Although this is a matter of a administration and I may be wrong about it the general rule, which I believe the Foreign Economic Administration has adopted is that it will not approve any requisitions under lend-lease which cannot be completed and installed in 18 months, the general thought being that that is a period of time in which something can be effectively planned for operations in connection with the conduct of the war. Now, as long as that rule is followed, that would be the general period of time, but there may be some cases where the right period should be longer.

Mr. CHIPERFIELD. Well, if that is the rule, suppose this committee should extend the life of lend-lease for 1 year, so that you can have another year to enter into contracts, but did not extend the 1947 date to 1948 so that you would only have 2 years in which to wind up the affairs of lend-lease, do you think that would be advisable?

Mr. ACHESON. I think it would be inadvisable, Mr. Chipperfield. It seemed to me that the only sound way to go about legislative and administrative actions in regard to this war is on the assumption that the war is continuing indefinitely. Now, we may all hope that it is not going to continue beyond some period of time which we have in mind, but I think the moment we take action on the belief that the war will end January 1, 1947 or January 1, 1948, or any other fixed period, we really take our eye off the ball. That is not the way to fight the war. The only way to fight the war is to assume that it is going on forever, and put all effort into the fight. When it does come to an end, then we can liquidate.



Mr. CHIPERFIELD. I would agree with you on that.

Mr. ACHESON. But if you start making adjustments or guessing when the war will come to an end I know we will get in difficulties.

Mr. CHIPERFIELD. I will agree with you in what you have just said. Now, I do not think we have a right to assume that the war will end at any definite time, but when the war does end then we will have to wind up lend-lease as quickly as possible and it seemed to me a reasonable time would be 2 years instead of 3 years. I do not know how the committee feels about it. I was just asking your opinion on the subject, which you have expressed.

Now, you mentioned the return of articles under lend-lease. In your negotiations with the various countries that have received lend-lease, is the question of the return of articles under discussion at the present time, or will you wait until the war is over before you discuss it?

Mr. ACHESON. No, it has been discussed; there has been no question at all of disagreement on that principle. We have not undertaken to say that any particular article is an article which ought to be returned. That, under the agreement, is left to the discretion of the President. That decision, I assume, would be made in the light of the situation existing at the end of the war, but no nation has doubted the soundness of the provision that whatever is in existence at the end of the war and it is desired to be returned to the United States must be returned and provision has been made by the recipients that they will keep track of the various articles so that they will know what they are and where they are, so that they can be returned.

Mr. CHIPERFIELD. There is a perfect understanding on that, is there?

Mr. ACHESON. Yes, sir; I think there is no question about that.

Mr. CHIPERFIELD. All right; thank you, Mr. Secretary.

Chairman BLOOM. Mr. Richards, have you any questions?

Mr. RICHARDS. Mr. Secretary, have we any lend-lease agreement with any nation that has not declared war against the Axis, or which has not severed diplomatic relations with the Axis?

Mr. ACHESON. I think the answer is that we have not at the present time, but that we are negotiating with Turkey, which is in that class.

Mr. RICHARDS. I was interested in your remarks there about Turkey. Then you have three classes of lend-lease agreements, and I would like to know if there is any fundamental difference in those agreements. One is with those nations lined up with us by a declaration of war against the Axis; those lined up with us through a severance of relations with the Axis as in the case of certain South American countries; and those nations that you would like to get lined up and you are using the good offices of lend-lease in that direction. I do not want to pin you down.

Mr. ACHESON. The differences of the agreements are not drawn on the basis of the distinction between the countries. I am speaking from memory and I may be wrong on this, but I think the only agreements with countries which have broken relations but have not declared war are with South American countries. I would not want to be too categorical about it, but I think that is true. I cannot remember at the present moment whether Iceland has declared war or not. We, of course, have an agreement with Iceland. Egypt, I

believe, has declared war. We certainly have an agreement with Egypt, but whatever—whether my memory is faulty or not on that point—the differences in the agreements are not based on that distinction between the countries.

Mr. RICHARDS. I am sure we all realize the importance of the Turkish situation and I would not think there would be any disposition on the part of this committee to demand any action to hamper our relations with Turkey at the present time. I was just a little intrigued as to just how far lend-lease would allow you to go in dealing with countries such as Turkey. How far are you empowered by the act to go?

Mr. ACHESON. Well, I think we are empowered to transfer to any country whose defense has been found by the President to be vital to the defense of the United States. That finding having been made by the President, then under the act we may transfer to Turkey under lend-lease whatever materials are found by the President to be desirable to be transferred; and as you know, materials have been.

Mr. RICHARDS. Then lend-lease aid could follow negotiations with countries that have not declared war and have not severed diplomatic relations, if benefits coming from lend-lease would be worth something to the United States in the prosecution of the war.

Mr. ACHESON. Yes, sir; that is correct.

Mr. RICHARDS. And those benefits would be just as valuable to us as benefits directly given under lend-lease to the nations already at war with the Axis?

Mr. ACHESON. That could be.

Mr. RICHARDS. I think that is all.

Mr. WADSWORTH. May I interrupt?

Chairman BLOOM. Mr. Wadsworth.

Mr. WADSWORTH. I assume, generally speaking, that the President's decision on a matter of this sort is based on the advice of the military high command?

Mr. ACHESON. Yes, sir; I assume it is. I, of course, do not know how the judgments are arrived at, but it would seem very clearly probable that that is the case.

Mr. WADSWORTH. It is a military problem?

Mr. ACHESON. Yes; it is a military problem.

Mr. WADSWORTH. Primarily?

Mr. ACHESON. Yes, with some element of political judgment as to what the fundamental interests of the country with whom you are dealing are.

Mrs. BOLTON. May I ask a question at that point?

Chairman BLOOM. Mrs. Bolton.

Mrs. BOLTON. Inasmuch as Mr. Richards has brought out this matter of categories, could you put into the record just how we do stand in that regard?

Mr. ACHESON. You have in mind a list of countries with whom we have agreements which have declared war on the Axis; of the other countries who have broken with the Axis but have not declared war, and those countries which have been neutral. I will be glad to do so.

(The data requested are as follows:)

## Status of nations—Lend-lease countries and United Nations

Country	Declared eligible for lend-lease aid	Lend-lease agreement signed	Reciprocal aid agreement signed	United Nations declaration signed	Earliest date of severance of diplomatic relations with Axis Power	Earliest date of existence of state of war with any Axis Power
Argentina.....	May 6, 1941	(1)	Sept. 3, 1942	Jan. 1, 1942	Jan. 26, 1944	Sept. 3, 1939
Australia.....	Nov. 11, 1941	June 16, 1942	Jan. 30, 1943	Jan. 1, 1942	Jan. 28, 1942	May 9, 1940
Belgium.....	June 13, 1941	Dec. 6, 1941		Jan. 27, 1943	Jan. 28, 1942	Apr. 7, 1943
Bolivia.....	May 6, 1941	Mar. 3, 1942		Feb. 6, 1943	Jan. 28, 1942	Aug. 22, 1942
Brazil.....	May 6, 1941			Jan. 1, 1942	Jan. 20, 1943	Sept. 10, 1939
Canada.....	Nov. 11, 1941	Mar. 2, 1943		Jan. 1, 1942	Dec. 8, 1941	Dec. 9, 1941
Chile.....	May 6, 1941	June 2, 1942		Jan. 17, 1942	Nov. 27, 1943 <sup>2</sup>	Nov. 27, 1943 <sup>2</sup>
China.....	May 6, 1941	Mar. 17, 1942		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Colombia.....	May 6, 1941	Jan. 7, 1942		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Costa Rica.....	May 6, 1941	Nov. 7, 1941		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Cuba.....	May 6, 1941	July 11, 1942		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Czechoslovakia.....	Jan. 5, 1942	Aug. 2, 1941		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Dominican Republic.....	May 6, 1941			Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Ecuador.....	May 6, 1941	Apr. 6, 1942		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Egypt.....	Nov. 11, 1941	Feb. 2, 1942		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
El Salvador.....	May 6, 1941	Aug. 9, 1943		July 28, 1942	Dec. 1, 1942	Dec. 1, 1942
Ethiopia.....	Dec. 7, 1942		Sept. 3, 1942		Sept. 3, 1939	Sept. 3, 1939
French Committee of National Liberation <sup>3</sup> .....	(Nov. 13, 1942)	Sept. 25, 1943	Sept. 25, 1943		Oct. 28, 1940	Oct. 28, 1940
Greece.....	Mar. 11, 1941	July 10, 1942		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Guatemala.....	May 6, 1941	Sept. 16, 1941		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Haiti.....	May 6, 1941	Feb. 23, 1942		Jan. 1, 1942	Dec. 8, 1941	Dec. 8, 1941
Honduras.....	May 6, 1941	Nov. 21, 1941		Jan. 1, 1942	Sept. 3, 1939	Sept. 3, 1939
Iceland.....	July 1, 1941			Jan. 1, 1942	Sept. 9, 1943	Sept. 9, 1943
India.....	Nov. 11, 1941			Jan. 16, 1943	Jan. 16, 1943	Jan. 16, 1943
Iran.....	Mar. 10, 1942			Jan. 1, 1942	May 10, 1940	May 10, 1940
Iraq.....	May 1, 1942			Jan. 1, 1942	May 22, 1942	May 22, 1942
Libertia.....	Mar. 10, 1942	June 8, 1943		Jan. 1, 1942	May 10, 1940	May 10, 1940
Luxembourg.....	May 6, 1941	Mar. 18, 1943		Jan. 1, 1942	Dec. 19, 1941	Dec. 19, 1941
Mexico.....	Aug. 21, 1941	July 8, 1942		Jan. 1, 1942	Dec. 19, 1941	Dec. 19, 1941
Netherlands.....	Nov. 11, 1941	(1)	June 14, 1943	Jan. 1, 1942	Dec. 19, 1941	Dec. 19, 1941
New Zealand.....	May 6, 1941	Oct. 16, 1941	Sept. 3, 1942	Jan. 1, 1942	Dec. 19, 1941	Dec. 19, 1941
Nicaragua.....	June 4, 1941	July 11, 1942		Jan. 1, 1942	Dec. 19, 1941	Dec. 19, 1941
Norway.....	May 6, 1941			Jan. 1, 1942	Dec. 19, 1941	Dec. 19, 1941
Panama.....	May 6, 1941	Sept. 20, 1941		Jan. 1, 1942	Dec. 19, 1941	Dec. 19, 1941
Paraguay.....	May 6, 1941	Mar. 11, 1942		Jan. 1, 1942	Dec. 19, 1941	Dec. 19, 1941
Peru.....	May 6, 1941	July 1, 1942		June 10, 1942	Jan. 28, 1942	Jan. 28, 1942
Philippines.....	Aug. 28, 1941			Jan. 1, 1942	Jan. 24, 1942	Jan. 24, 1942
Poland.....				Sept. 1, 1939		



Saudi Arabia.....	Feb. 18, 1943					Date uncer- tain.
South Africa.....	Nov. 11, 1941				Sept. 6, 1939	
Turkey.....	Nov. 7, 1941					
United Kingdom.....	Nov. 11, 1941				Sept. 3, 1939	
United States.....	Mar. 11, 1941				Dec. 7, 1941	
Union of Soviet Socialist Republics.....	Nov. 7, 1941				June 22, 1941	
Uruguay.....	Nov. 6, 1941					Jan. 25, 1942
Venezuela.....	May 6, 1941					Dec. 31, 1941
Yugoslavia.....	Nov. 11, 1941				Apr. 6, 1941	

<sup>1</sup> No master lend-lease agreement has been concluded with either Australia or New Zealand; but in the reciprocal aid agreements entered into with these countries they accepted the principles of the lend-lease agreement with the United Kingdom as applicable to their lend-lease relations with the United States.

<sup>2</sup> Colombia declared a state of belligerency.

<sup>3</sup> Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on Nov. 11, 1941, and a reciprocal aid agreement was entered into with the committee on Sept. 3, 1942. French North and West Africa were declared eligible to receive lend-lease aid on Nov. 23, 1942. On Sept. 25, 1943, a lend-lease modus vivendi agreement governing lend-lease aid and reciprocal aid was entered into with the French Committee of National Liberation, successor to the French National Committee and to the Haut Commandement en Chef Civile et Militaire established in French North and West Africa after the events of November 1942.

Mr. RICHARDS. Do you think it would be detrimental to the prosecution of the war for you to put anything in the record about your negotiations with countries that are not already lined up?

Mr. ACHESON. I would not put in anything about negotiations, but I think it is a matter of public knowledge that we have been shipping lend-lease materials to a list of countries, and there is also a clear need of public knowledge whether those countries have declared war or not, and for the convenience of the committee to group them, I do not believe would injure the situation.

Chairman BLOOM. Is that all, Mrs. Bolton?

Mrs. BOLTON. Yes, sir.

Chairman BLOOM. Mr. Wadsworth, have you any further questions?

Mr. WADSWORTH. I have no further questions.

Chairman BLOOM. Mr. Mundt, have you any questions?

Mr. MUNDT. I would like to ask Mr. Acheson whether he was at the hearings yesterday.

Mr. ACHESON. No; I was not, Mr. Mundt.

Mr. MUNDT. I brought up a problem yesterday which is of interest to you because of your position as an American member of the U. N. R. R. A. Council, in which I quoted from the reports of lend-lease showing considerable expenditures in French North Africa and other liberated areas for farm machinery, rehabilitation of agriculture, and so forth, suggesting to my mind if I understood correctly the functions of U. N. R. R. A., that after you got into operation that would no longer be a problem for lend-lease but would be a function for U. N. R. R. A. Mr. Crowley told me that he agreed with my concept in that connection and I wondered if we could have your confirmation added to his as to that understanding.

Mr. ACHESON. I would be glad to do it if I understood the question a little bit.

Mr. MUNDT. You not having been here yesterday I can appreciate that you do not have the background.

Mr. CHIPERFIELD. I would like to ask a question.

Chairman BLOOM. Mr. Chiperfield.

Mr. CHIPERFIELD. Do you contemplate U. N. R. R. A. taking any part in relief in north Africa?

Mr. ACHESON. No, sir; I do not believe there is any need for anybody taking any part in relief for north Africa. The authorities of that area seem to have the matter entirely in hand.

Mr. CHIPERFIELD. That was my understanding.

Chairman BLOOM. Mr. Burgin, have you questions?

Mr. BURGIN. I have no questions.

Chairman BLOOM. Mrs. Bolton, have you any questions?

Mrs. BOLTON. I have no questions.

Chairman BLOOM. Mr. McMurray, have you any questions?

Mr. McMURRAY. No questions, Mr. Chairman.

Mr. BLOOM. Mr. Wadsworth, have you any questions?

Mr. WADSWORTH. As a matter of fact, we have been repaid, haven't we, almost 100 percent for lend-lease in north Africa?

Mr. ACHESON. Yes, sir; lend-lease of a civilian character has been on a cash basis so that the French have actually purchased from the Lend-Lease Administration the goods which they have received.

Mr. WADSWORTH. The figure runs something like \$62,000,000, is that correct?

Mr. ACHESON. Yes, sir.

Chairman BLOOM. Are there any further questions?

Mr. WADSWORTH. No, sir.

Chairman BLOOM. Mr. Mansfield, have you any questions?

Mr. MANSFIELD. I have no questions.

Chairman BLOOM. Mr. Gerlach, have you any questions?

Mr. GERLACH. I have no questions.

Chairman BLOOM. Mr. Schiffler, have you any questions?

Mr. SCHIFFLER. I have no questions.

Chairman BLOOM. Mrs. Rogers, have you any further questions?

Mrs. ROGERS. Yes, I have one question.

Mr. Secretary, how many have you on the pay roll already on your U. N. R. R. A. staff?

Mr. ACHESON. I cannot answer that question.

Mrs. ROGERS. I think it has a good deal to do with lend-lease, with U. N. R. R. A. and lend-lease. I think it has a very definite relation.

Chairman BLOOM. Do you know?

Mr. ACHESON. I do not know.

Mrs. ROGERS. Can you give me the personnel that you now have for U. N. R. R. A. and their background?

Mr. ACHESON. I cannot; that is Governor Lehman's job.

Mrs. ROGERS. Do you not have some interest or some authority even as it is?

Mr. ACHESON. I am a member of the council, which is the policy-making organization, but we have nothing to do with the administration. The agreement is very clear that the executive powers are in the Director General, and he has full power and authority..

Mrs. ROGERS. I should think that every member of the council would know about the administrative staff.

Mr. ACHESON. I can say I cannot now answer the question.

Mrs. ROGERS. Can you furnish the committee information at a later date?

Chairman BLOOM. I think the Chair will have to rule that any of this information you want to get with reference to the staff of U. N. R. R. A. should be requested at another time. These are hearings on the extension of the Lend-Lease Act.

Mrs. ROGERS. I would like to find out if one of the members of the U. N. R. R. A. Council has a right to know and you as a member for the United States must be interested.

Mr. ACHESON. It never occurred to me to think about it. I think if I wanted to know it, Governor Lehman would be delighted to tell me.

Chairman BLOOM. If the committee wanted to know I think Governor Lehman would be delighted to authorize you to tell the committee.

Mr. ACHESON. If the chairman directs, I should be glad to ask Governor Lehman.

Mrs. ROGERS. I just wanted to find out with reference to our member whether he is following the U. N. R. R. A. activities.

Mr. ACHESON. The member is not following the personnel of the staff. I think that would produce a lot of confusion if all the 44 members of the council undertook to follow the personnel of the Governor.

Mrs. ROGERS. I think we should be very much interested since the United States is a part of it, just as all the other 43 nations that comprise U. N. R. R. A. ought to be interested in its operations.



Mr. ACHESON. I am very much interested, but the Governor has able and competent people. U. N. R. R. A. is not, however, a Government department, but an international organization.

Chairman BLOOM. Mr. Mundt, have you any questions at this time? Mr. MUNDT. Yes, Mr. Chairman.

Mr. Secretary, it is on page 3, "Africa," in text devoted to Africa in our confidential folder which reads as follows:

Our shipments of civilian goods to French Africa in recent months have consisted largely of iron and steel for maintenance of essential railways and port facilities; machinery and parts for utility plants; tractors and other farm implements; glass and paper; and foodstuffs, such as sugar and milk, needed to sustain the health of the local population and to make it possible for it to mine and produce strategic and other essential supplies to aid the Allies' war effort.

That, to me, would be a function for U. N. R. R. A. under our U. N. R. R. A. contract once it is functioning, rather than being a provision under the Lend-Lease Department proper, and I am trying to determine whether a clear-cut line of demarcation has been established between you and lend-lease so that they will know whether this rehabilitation and responsibility will be yours or that of lend-lease. This is obviously rehabilitation.

Mr. ACHESON. In an area where U. N. R. R. A. is designated to act, I am sure that these would be within its powers, Mr. Mundt. What is happening in north Africa is that the sale of necessary materials by the French Government is conducted under the machinery of lease-lend, because under the present military situation in the Mediterranean, private trade is not possible; so that you cannot have private manufacturers of glass or steel or farm implements going to north Africa selling their products and therefore the sale takes place through the mechanics of lend-lease, but it is a sale; it is merely using the machinery of lend-lease for commercial transactions.

Mr. CROWLEY. I think what the Congressman is getting at is that first he wants to know if there is any duplication; then he wants to know in regard to farm machinery, whether we in F. E. A. are going to send farm machinery in or is U. N. R. R. A. going to do it and will there be a conflict between the two agencies. Now, my understanding is that even if U. N. R. R. A. is set up, under F. E. A.'s export control authority we will have control over things going to north Africa.

Even though shipments are for cash if we cannot spare in our own economy the farm machinery and things like that under that authority such shipments will not be permitted. In other words, cash shipments will be screened, just the same as lend-lease supplies would be screened under Lend-Lease Act. Similarly, no U. N. R. R. A. shipments will be permitted until they are reviewed in the light of other urgent needs, for the same supplies. That is what you are after, isn't it, Congressman?

Mr. MUNDT. Yes, sir.

Mr. ACHESON. That is entirely correct. I agree entirely with the statement of Mr. Crowley. The same agency will do the reviewing in the United States, because Mr. Crowley will handle both funds.

Mr. MUNDT. Fine. There is a third factor I want to touch upon. I think there is no question but what lend-lease has justified itself in a military sense by its performance from the standpoint of its operations in connection with the advancement of the war efforts. However, I am a little bit concerned about the size of the job lend-lease is doing, in

the capacity of a gigantic jobber purchasing supplies in America, selling supplies to civilians abroad. That is certainly a terrific task, involved, as it is, with the actual war effort, because that means, especially in the farm-machinery situation, which has been acute in my country, that if that goes on without any limitations or curtailment or definite power insofar as performance is concerned, it could well consume half the farm machinery in this country, or more than half, because the needs abroad for farm machinery are also very acute, so I am a little bit alarmed and disturbed about the functioning of lend-lease as a big jobber, which it is in this case, because it buys for cash and sells for cash.

Mr. CROWLEY. May I answer you?

The country is better off if you have all this exporting under one administration. You will get a coordination then that you would not have if you had two organizations. If you had your personnel used in the screening in one place and your export control in another place and your lend-lease another place, you could not get the benefit of one coordinated policy.

Now, the benefit to my mind is the fact that you do have all of that consolidated where you can get at it and check on the entire product. I know what you are getting at, and we are very much in sympathy with you and I think this centralization of administration provides this country the protection you are trying to get.

Mr. Cox. What Mr. Crowley said is this: More specifically in regard to farm machinery we are coordinating all shipments and we have in mind the protection you want to get.

The over-all figures up to January 1, 1944, show that less than 3 percent of our over-all production of farm machinery was exported for foreign use under lend-lease, so that the controls are intended to keep that in balance rather than to have F. E. A. act as a jobber. Technically F. E. A. does not act as a jobber. The French case was handled substantially the same as other transactions, with the exception that the French paid cash for things they used for civilian purposes. The American manufacturer who produced the farm machinery which was secured by Treasury Procurement and shipped to the French Government, or the French Committee which handles the distribution inside French Africa the same as the Russians handle distribution in Russia.

Mr. JOHNSON. And in connection with farm machinery, like everything else that we have sent, when certain requisitions come in for that and after you clear the War Food Administration, War Production Board and everything else, and then it is screened before it comes back, is that right?

Mr. Cox. Right.

Mr. JOHNSON. And up to January 1 less than 2 percent of our farm machinery had gone abroad under lend-lease and 97 percent of our farm machinery has been used at home.

Mr. MUNDT. Breaking it down to individual items I think you can see the impact on our farm machinery and that it is perhaps more serious than the over-all 3 percent figure would seem to indicate. In regard to cream separators in the last fiscal year we exported and shipped abroad 8,311, which was 16 percent of the total production. That had quite a big impact, but perhaps it was not a ruinous one. However, I find in the Congressional Record a set of figures put in by Congressman Calvin Johnson of Illinois in which he reports that

U. N. R. A. expects to export 25,100 cream separators. Now, with 8,311 cream separators providing an impact of 16 percent and then you add to that the impact of 25,100 cream separators, we are virtually shipping abroad over half the cream separators manufactured in this country and that is very serious.

Mr. COX. We are checking on Mr. Johnson's statement. We will report later to the committee on that statement.

I think one of the most important functions that F. E. A. would perform in connection with U. N. R. A., which we are doing now, is to go over the requirements in relation to supplies like that and determine the impact and make sure that the impact will not be burdensome on the American farmers or American producers of agricultural products under our system. For example, all the cream separators, or most of them, are being used, for example, in the case of Australia and New Zealand in the production of dairy products for our own troops. Those are some of the factors you find in the screening.

Mr. JOHNSON. That is from the standpoint of Lend-Lease.

Mr. COX. Yes. In terms of U. N. R. A. you must pass on where it can best be used. All those considerations are evaluated. The requirements are just not taken as absolute requirements, but are put into Budget requests, for example, or procurement. That is one of the functions which has to be very carefully performed.

Mr. MUNDT. You have checked Mr. Johnson's figures, I suppose.

Mr. COX. We are checking this statement at the present time.

Mr. CROWLEY. Congressman Mundt, might I say this for the record: First, not being a statistician, I think that if you were to sit down with the staff and try to determine what you might need for the rehabilitation of Europe or the occupied territory you could draw upon your imagination for a lot of things. I do not think it is realistic to talk about the number of cream separators or other items that may be sent into these occupied territories. I think we shall be guided by what is needed to enable those people to have the things that are most essential so that they may help themselves. Once it is determined what are the most essential things for them to help themselves, then we will have to determine in this country, through our own Government agencies, how much of that we can give them without destroying our own economy here. There will not be very limited benefits gained if we lower our own economy to build up the economy of others. And so it is my idea, the first thing for us to do is to get these people working for themselves.

I am surprised that there is any list made available at all, because I imagine that what has appeared is merely this, that items have just been listed which might be helpful for these people to help themselves.

The figures will be checked and a decision will be made entirely upon our ability to furnish those things.

I read this Congressman's statement but I did not think it had anything in it of what we are doing. If we are not competent to protect our home interests and our home economy, then they should put someone else in to do that.

Mr. EATON. Is it a fact, then, that 25,000 cream separators have not been allocated, decided upon by U. N. R. A. to be sent abroad?

Mr. ACHESON. I am informed that U. N. R. A. has not at the present time asked for cream separators from the United States.



Mr. EATON. Who made the suggestion, do you know?

Mr. ACHESON. I do not know, Doctor, about that.

Mr. MUNDT. Does the figure have to have the clearance of the F. E. A.?

Mr. ACHESON. That is my understanding, at least insofar as they relate to supplies to be obtained from the United States.

Mr. EATON. You will not give a clearance?

Mr. CROWLEY. It will have to be passed upon.

(The statement requested is as follows:)

FARM MACHINERY FOR UNITED NATIONS RELIEF AND REHABILITATION  
ADMINISTRATION AND THE LIBERATED AREAS

(1) No farm machinery has yet been procured for United Nations Relief and Rehabilitation Administration and no United States funds will be used for that purpose until money is appropriated for U. N. R. R. A. by the Congress.

(2) The so-called United Nations Relief and Rehabilitation Administration program for which the War Production Board made an allocation to Foreign Economic Administration of 30,000 tons of steel is a misnomer. This allocation, when put into production, is primarily intended to meet the farm machinery requirements of the liberated areas during the period of military responsibility, when the equipment will be distributed under the authority of the theater commander. No procurement under this allocation has as yet been undertaken nor will it be undertaken until a definitive farm machinery program for the military period is worked out with the military authorities. It should be clearly understood that the purpose of this allocation (or any allocation) is merely to enable machinery to be scheduled within the production schedules of domestic farm machinery manufacturers. Such a step is always necessary far in advance of any actual contracts that may later be let and is desired both by the War Production Board and the War Food Administration, and by the manufacturers themselves, so that they can plan for the period involved. It does not in any sense represent the commitment of funds. It does not in any way guarantee that delivery will be made to the agency obtaining the allocation.

(3) The farm machinery program for liberated areas introduced into the Congressional Record as an "U. N. R. R. A. program" is a program of estimated needs developed by United States and United Kingdom officials for the purpose of planning and appraising the production possibilities in the United States, United Kingdom and Canada. This program is intended to cover the period of military responsibility in the liberated areas and also to apply toward the subsequent period of civilian responsibility. It includes the requirements of the countries which will be able to pay cash for their supplies and represents supplies to be obtained not only from the United States but from other sources as well. No procurement action has as yet been taken against this program. No contracts have been let and no money has been obligated.

(4) In the meantime, United Nations Relief and Rehabilitation Administration is in the process of formulating its own estimates of farm machinery requirements for the period of civilian responsibility and will soon present them to the combined boards and to the Foreign Economic Administration for consideration in relation to the impact on the supply situation in the United States and elsewhere and for recommendations as to allocations. In formulating these estimates, United Nations Relief and Rehabilitation Administration will naturally give careful consideration to the United States-United Kingdom program referred to above. No procurement with United States funds against United Nations Relief and Rehabilitation Administration's estimates, when formulated, will be made until money is appropriated for United Nations Relief and Rehabilitation Administration by the Congress.

(5) Estimates of the farm machinery needs of the liberated areas will have to be kept flexible. No one now knows, for example, when the need for farm machinery in a liberated area will arise, in which of several potential liberated areas it will first arise, or precisely how great that need will be when it actually arises. Nor can the full extent of the increased production of farm machinery as a result of the easing in other war contracts be ascertained with certainty now. Domestic production of farm machinery, as a whole, has already been authorized at a level as high as that ever attained in this country before 1941. Further increases in production are likely if other war contracts decline.

(6) It is clear that occupied areas when liberated will be in extremely urgent need of farm machinery of all kinds. Farm machinery will enable the liberated peoples both to put into production and to harvest many millions of acres of land which would otherwise remain unproductive. Unless the liberated peoples are put in a position to help themselves in this way, it will be impractical and impossible for them to obtain the consumable supplies which are essential to the maintenance of life and health. Helping them to help themselves in this way is the least expensive and the most effective method of providing relief.

(7) It is similarly clear that farm machinery, to meet the urgent needs of the liberated peoples, should be ready for immediate delivery when the occupied areas are first liberated. It is particularly important that farm machinery should be promptly made available in order to catch the earliest crop year. If a crop season is missed because of the lack of farm machinery, a whole growing year is lost. Production should, therefore, be started as soon as possible on at least the minimum portion of the farm machinery requirements which the United Nations will be called upon to furnish to the liberated peoples.

(8) It is, of course, conceivable that military operations may not progress as rapidly as now hoped for and, therefore, that not all of the farm machinery produced for the liberated areas will be needed at the exact time when the finished machinery is available. In such a case, the finished farm machinery, being almost entirely standard equipment, would to the extent possible be made available to American farmers. This would, of course, be in addition to the 1,799,573 tons of materials allocated for the production of farm machinery for American farmers for the period from July 1, 1944, to July 1, 1945. This would mean then that the demands of American farmers for farm equipment would be satisfied more fully at an earlier date than would have been the case if production had not been begun to meet the potential needs of the liberated peoples.

The President has received the following letter from Leo T. Crowley, Administrator, Foreign Economic Administration:

"MY DEAR MR. PRESIDENT: In compliance with your request, I wish to advise you what the basic policy of the Foreign Economic Administration will be in connection with the procurement and supplying of farm machinery as the American contribution to the United Nations Relief and Rehabilitation Administration. This basic policy is as follows:

"1. No funds subject to the control of the Foreign Economic Administration will be made available for the procurement of farm machinery or other supplies for the United Nations Relief and Rehabilitation Administration until Congress approves the authorization for United States participation in the United Nations Relief and Rehabilitation Administration, and until Congress makes the requisite appropriations to carry out that participation.

"2. After the authorization and appropriation for the United Nations Relief and Rehabilitation Administration are made, if the Foreign Economic Administration is the American agency charged with the responsibility for handling the appropriation, it will, in collaboration with the War Production Board and the other American allocating agencies, weigh the requests of the United Nations Relief and Rehabilitation Administration for farm machinery as well as other supplies in the light of our war needs, the needs of the American farmers or civilians for farm machinery or other supplies and other needs abroad. As you are well aware, the Foreign Economic Administration's screening of farm machinery moving abroad under lend-lease has clearly kept these, as well as other relevant considerations, in mind. Thus, for example, the amount of farm machinery exported under lend-lease since the beginning of the program has been less than 2 percent of the available American supply. This equipment has been sent in the main to countries such as Australia, New Zealand, and the United Kingdom to assist in increasing vitally needed food production for the war. As you know, these countries, under reverse lend-lease and without payment by us, have supplied our armed forces with very substantial quantities of food. Australia and New Zealand, for instance, have supplied our forces under reverse lend-lease with approximately the same amount of beef and veal which we have exported to all lend-lease countries. In the United Kingdom, more than 20 percent of the food for our forces has been supplied under reverse lend-lease.

"3. In the preparation and consideration of the United Nations Relief and Rehabilitation Administration estimates, particular care will be taken to make sure that the limited amounts of farm machinery and other supplies which are sent abroad are those which can make the greatest contribution. The effectiveness of this policy which has been followed in the past is indicated by the experience with the farm machinery and other supplies sent to countries such as Australia, New Zealand, and the United Kingdom.

"4. In view of the fact that the war damage in the occupied areas is likely to be so widespread and devastating, the most effective and practical thing that we can do is to help the liberated peoples to help themselves. Insofar as it is possible and practicable, this basic principle will be applied in the furnishing of immediate emergency relief so that these people, as soon as it can be done, can produce for their own needs. Otherwise, even with the resources of these liberated peoples, the American contribution will not go very far if the supplies are primarily of a consumable character and do not go directly toward aiding the liberated peoples to help themselves.

"As you mentioned in our conversation on this subject, we know that the American people will be the first to want to aid the liberated peoples if such basic policies are followed. The American people will know that such aid is not only in their own self-interest but is also an expression of the traditional humanity of the American people.

"Sincerely yours,

"LEO T. CROWLEY."

"MARCH 24, 1944.

MR. MANSFIELD. I was delighted to hear Mr. Crowley say that those figures would have to be screened. It appeared from the article in the Congressional Record, or rather it purported to show, that some countries like Luxemburg, Norway, Holland, and other countries were to be provided for in the coming spring and summer. I thought that was taking a lot for granted the way the European war is going, and I am very interested to get the lowdown on these figures submitted by Congressman Johnson so that we can better understand the problem and visualize better the picture.

MR. McMURRAY. To what authority are these figures attributed by Mr. JOHNSON?

MR. MUNDT. I do not know. They are attributed by me to Mr. Johnson. I would say Johnson would know.

MR. McMURRAY. Apparently there was a figment of the imagination of someone and they let their imagination run riot because how otherwise could you make up a specific itemized list of various countries? I assume there is something back of it. However, in the light of what Mr. Crowley said, someone must have pulled those figures right out of the air; I don't care whether they came from a statistician, they are meaningless to me.

MR. MUNDT. Not to me, because they brought out the thing I was hopeful they would bring out for the purpose of getting a definite statement by Mr. Crowley corroborated by Mr. Acheson that before any U. N. R. R. A. machinery exports are made they would have to clear through F. E. A. That is what I wanted to bring out.

MR. McMURRAY. That fact was brought out in testimony when we had the U. N. R. R. A. measure before us. That was testified to.

MR. MUNDT. I am a great believer in the theory of emphasis by repetition.

MR. CHIPERFIELD. Mr. Secretary, as long as this matter has been brought up and U. N. R. R. A. has been brought into the picture, it is my understanding that no U. N. R. R. A. funds were to be used in enemy territory except if there was a pestilence, or something of that kind that it was necessary to prevent?

MR. ACHESON. No, not exactly; the resolution of the Council permits U. N. R. R. A. to go in any territory for the purposes that you suggest to help in that sort of thing. Then it says that no provision for relief in ex-enemy territory shall take place through U. N. R. R. A. until the council has approved the fact it can be done and the degree or measure of relief contemplated; so that it is within the power of the



Council to say that in respect to any ex-enemy territory a certain standard of provisions may be made for relief.

The resolutions, of course, also contemplate that the ex-enemy territories will have to pay for any assistance they receive.

Mr. CHIPERFIELD. I certainly was disturbed to find that a certain number of tractors and farm machinery was going to be sent, or contemplated to be sent, by this statement to Italy. What are we going to do, rehabilitate our enemy?

Mr. ACHESON. I think we are probably talking about something which is quite in the air.

Mr. CHIPERFIELD. I am not.

Mr. ACHESON. As far as I know, the only list of materials that have been made for relief at all at the present time are those which were originally gotten up by an interdepartmental committee solely for purposes of information and study. The list which the Army and F. E. A. are now working on are for the military; and U. N. R. R. A. is just starting on the job of working out what it will need when it follows the military into any area. At the present time U. N. R. R. A. has no United States funds; no goods have been bought by U. N. R. R. A. It may be some months before it buys. As Mr. Cox has said, a statement on this will be provided to the committee.

(This statement appears on pages 135-137.)

Mr. CHIPERFIELD. I certainly thought the function of U. N. R. R. A. was to help our allies in invaded areas as soon as they were liberated, and I certainly did not think it was the function of U. N. R. R. A. to rehabilitate our enemies.

Mr. ACHESON. There was no prohibition. That matter was discussed fully on the floor of the Senate. There is no prohibition against U. N. R. R. A. going into an area after the enemy has been defeated and it has been taken over by our forces. There is the provision it shall not furnish relief until the Council, which is made up of all the countries, including the liberated countries, authorizes it.

Mr. CHIPERFIELD. Then this could have no official status at all?

Mr. ACHESON. I cannot say it has any official status.

Mrs. BOLTON. To my mind, it is not U. N. R. R. A. at all; it is the superior military government. How far is military government going into agriculture in Italy?

Mr. ACHESON. Well, I cannot answer that specifically, because I do not know.

Mrs. BOLTON. Has U. N. R. R. A. anything to say at all?

Mr. ACHESON. The entire control of the area during the period of military control is in the military.

Mrs. BOLTON. That would involve Britain as well as ourselves?

Mr. ACHESON. It may if it is a combined operation; it will be under the supreme commander of the theater and the commander of that particular country. In the Mediterranean it is General Wilson. How far the military will go into agriculture depends on the judgment of men in the field.

Mrs. BOLTON. Inasmuch as they have agricultural experts in their U. N. R. R. A. they probably intend to do something of that sort.

Mr. ACHESON. Yes; my own personal view is that they would have been better off if they had done more of that earlier in Italy and reduced the need for the importation of supplies, which has been quite a drain in order to keep the population quiet.

Mr. MANSFIELD. In line with what the Secretary has said, it is my impression that in the U. N. R. R. A. hearings that any relief carried out in that country would be paid for completely by the country.

Mr. ACHESON. It is also a part of the resolution that it should be paid for by the enemy country. Again I do not want to mislead the committee in anything. That is the resolution of the Council and the degree to which that is practicable is in the future.

Mr. MANSFIELD. I think that came out during the course of the hearings on U. N. R. R. A.

Mr. ACHESON. That is quite true; that is in the resolution.

Mrs. ROGERS. I suppose any time the President decreed that U. N. R. R. A. should go in, why, it would go in, as the President is the Commander in Chief, and if he said it could go in, it could go in.

Mr. ACHESON. I can think of two factors. The President is Commander in Chief of the America forces.

Mrs. ROGERS. Yes.

Mr. ACHESON. There are, of course, combined operations, in which there are other allies operating and, furthermore, as to whether U. N. R. R. A. goes in, or not, must depend on U. N. R. R. A.'s decision on the other end of it. The military can invite it in, but whether it goes in depends on its action, and that decision would have to be reached by the decision of U. N. R. R. A. It would not be subject to the Chief Executive or any other country.

Mrs. ROGERS. You would feel that as a contribution U. N. R. R. A. would be inclined to go in, but you would not have the power to send it in?

Mr. ACHESON. Quite correctly we do not want the power on account of our contribution to order U. N. R. R. A. to do anything.

Mrs. ROGERS. As a result of the contribution U. N. R. R. A. would be inclined to go in?

Mr. ACHESON. I think U. N. R. R. A. would be inclined to do everything it could to take the job over as soon as it can.

Mr. MUNDT. I was unfortunately detained at the beginning of the meeting and I am not clear as to whether you are testifying as a part of the Lend-Lease Administration or whether you are testifying in the capacity of the State Department or are you testifying as the American representative of U. N. R. R. A.? Maybe I am asking you a question which is out of your field.

Mr. ACHESON. I got in on this discussion of U. N. R. R. A. in an informal way. I did not suppose I was going to say anything about U. N. R. R. A. when I came here, and I am not appearing in any capacity in regard to U. N. R. R. A. I came as Assistant Secretary of State to speak on lend-lease agreements.

Mr. MUNDT. Insofar as lend-lease is functioning as a jobber and transporting machinery and other equipment from this country to other countries on a cash payment basis, how are those transactions handled? Is that an outright commercial transaction? Are the freight and handling costs paid by the purchaser or does lend-lease and America absorb part of the cost and sell it to them at a lesser figure?

Mr. ACHESON. That is an operational question which I think Mr. Cox can answer.

Mr. Cox. The way it is handled is the same as the regular lend-lease transactions are handled. For instance, take steel required for making various types of equipment in French Africa. The French Committee puts in a request for it. It is screened, and that request is approved by military officers and F. E. A. officers in French Africa. It comes back here and it is screened here again on the basis of the impact upon American production and other relevant factors. This steel would be procured normally by the Treasury Department at a price paid to the American manufacturer. Then the shipping is handled the way shipping to Russia or the United Kingdom is handled and it is consigned to the representative of the F. E. A. abroad or the military commander and then turned over to the French Government. The French Government pays all the cost of the American Government in shipping and the costs of procuring and manufacturing the article. The cost of shipping, handling, storage, and other overhead is all included in the price which the French Government pays to the United States Government.

Mr. MUNDT. Thank you for your statement; it is very clear.

One more question and then I am through.

Can you advise the committee what is the present status of U. N. R. R. A.? I cannot personally just understand why it is retained in this twilight zone between the House and the Senate with no conferees meeting and no final passage; they do not go before the Appropriations Committee.

Chairman BLOOM. The Chair will answer that question.

Conferees have been appointed and it was printed in the Calendar yesterday; the conferees of the Senate just agreed and the Chair has already taken up with Mr. Johnson to get in touch with Senator Connally and for the conferees to meet because the Senate must act. The House did not act in this case. As soon as the Senate asks for a conference then the conferees of the House will meet with the Senate conferees to adjust.

Mr. EATON. Mr. Chairman, I would not like to introduce into this discussion anything which is impracticable, but I base my interest with reference to our activities in Italy upon the actual facts as I see them, and I would like to put this in the record:

Italy was our enemy in union with Germany; Italy was occupied by immense German military forces; Italy surrendered to our forces and we took over part of her territory. Then we began to fight with the Germans occupying Italy and between the German efforts and our efforts great areas of Italy have been destroyed and people have been left without houses, without hospitals; they have been left without water supply and they have been left without food. We are in a position of occupying that country as an invading force; and as a practical necessity it seems to me that our Allied forces, the British and the American occupying Italy and fighting the Germans or the Italians, they must do something to avoid pestilence and various diseases that would operate against our activities through the Italian population so that we are confronted with a condition and not a theory, and the only thing that would be of interest to us is the instrumentality here at home which will be of the best service to our military efforts in solving that urgent and continuous problem which our military forces have to face under those conditions. That is the basis on which I do my alleged thinking on that subject.

Chairman BLOOM. There is a very good statement.



Mrs. ROGERS. I have forgotten, Mr. Secretary, whether you have connected with your council members of the military.

Mr. ACHESON. No.

Mrs. ROGERS. You have no military advisers?

Mr. ACHESON. You mean the Council of U. N. R. R. A.?

Mrs. ROGERS. You mean the Council of U. N. R. R. A. has no military advisers?

Mr. ACHESON. The Council as such does not have any military advisers.

Chairman BLOOM. The Chair will rule that no questions in regard to U. N. R. R. A. will be submitted any further today. We have other witnesses here and we must confine our discussion today to lend-lease. Therefore, we will not go into the question of U. N. R. R. A. any further.

Thank you very much, Mr. Secretary. We appreciate your being here.

[Mr. Acheson withdrew.]

Mr. Crowley, I understand that you want to read a couple of pages of your statement to the committee.

Mr. CROWLEY. I do not think it is necessary to do that. It would merely take a lot of time. All of you have copies.

Chairman BLOOM. All right; it will be released for the press. We will insert it in the record at this point.

(The statement of Mr. Crowley is as follows:)

REPORT ON REVERSE LEND-LEASE, BY LEO CROWLEY, FOREIGN ECONOMIC ADMINISTRATOR, BEFORE HOUSE FOREIGN AFFAIRS COMMITTEE, WEDNESDAY, MARCH 8, 1944

The principal war benefit we receive from the lend-lease aid that we extend to our allies is the damage which they are enabled to do to our enemies—and theirs—because of the supplies we send.

An additional wartime benefit which the United States receives as a result of our lend-lease aid is the reverse lend-lease aid furnished to us by our allies. Reverse lend-lease consists of goods, services, and information provided to the United States by our allies without payment by us.

A steadily increasing volume of reverse lend-lease aid has been furnished to us by our allies, mostly by the British Commonwealth of Nations. We are also receiving reverse lend-lease supplies and services as the need arises from the French National Committee, Belgium, the Netherlands, the Soviet Union and China.

The United Kingdom, Australia, New Zealand, and India spent more than \$2,000,000 for supplies and services furnished to our forces and merchant marine overseas as reverse lend-lease from June 1, 1942, to December 31, 1943. Six months ago, on June 30, 1943, the figure for reverse lend-lease aid to the United States from the British Commonwealth stood at \$1,175,000,000.

Expenditures by the British Commonwealth up to January 1, 1944, reported to date are as follows:

*Total reverse lend-lease aid from British Commonwealth, through Dec. 31, 1943*

United Kingdom-----	<sup>1</sup> \$1, 526, 170, 000
Australia-----	362, 365, 000
New Zealand-----	91, 886, 000
India-----	114, 451, 000
Total-----	<sup>2</sup> 2, 094, 872, 000

<sup>1</sup> Includes \$1,366,170,000 for aid furnished our forces in the British Isles and for shipping services, together with \$160,000,000 for reverse lend-lease supplies transferred to our forces by the United Kingdom in various combat areas outside the British Isles. On the basis of records so far compiled from these overseas areas the United Kingdom Government estimates that these transfers totaled between \$160,000,000 and \$200,000,000 through December 1943.

<sup>2</sup> Does not include the value of strategic raw materials, commodities, and foodstuffs shipped to the United States under reverse lend-lease, other than benzol.

By the first of this year we were receiving reverse lend-lease aid from these countries at a rate approaching \$2,000,000,000 a year compared with a rate of a little over \$1,000,000,000 a year for the 12 months ending June 30, 1943.

The air offensive against Germany and the invasion coasts of Europe would not have been possible on the present scale without both lend-lease and reverse lend-lease. The Royal Air Force's tremendous raids are powered and armed in part through lend-lease equipment and materials sent from the United States. At the same time, our fliers are aided by reverse lend-lease. The Eighth and Ninth United States Army Air Forces operate from huge air bases built for us by the British under reverse lend-lease at a substantial cost. Our Air Forces receive also from the British a great variety of vital equipment, supplies, and services, without which our own great raids could not be carried out.

Approximately one-third of all the supplies and equipment currently required by United States forces in the United Kingdom is supplied by the British and it is supplied as reverse lend-lease, without cost to us. In addition, virtually all housing and headquarters accommodations, airdrome facilities, transportation services, civilian labor, and miscellaneous services needed by our forces are supplied as reverse lend-lease.

We have received over a billion and a quarter pounds of food as reverse lend-lease from the United Kingdom, Australia, New Zealand, and India, in addition to planes, guns, and many thousands of other items of military equipment and supplies, airfields, and other facilities for our forces.

Most of the food has been furnished under reverse lend-lease by Australia and New Zealand. These two countries, with a combined population only one-fifteenth as large as ours, provided over 800,000,000 pounds of food to our forces in the Pacific from June 1942 to January 1, 1944. Almost all the food for United States forces in Australia and New Zealand is provided as reverse lend-lease.

The volume of food which they are furnishing to us has increased rapidly as more of our forces have moved into this area. In the last 3 months of 1943, Australia and New Zealand alone were furnishing United States Army, Naval and Marine forces in the Pacific theaters with food at a rate approaching a billion pounds a year.

We have received almost a quarter of a billion pounds of fresh, frozen, and canned meats from Australia and New Zealand, including approximately as much beef and veal as we have sent to all countries from the United States under lend-lease. We have received for our forces from Australia and New Zealand 26,000,000 pounds of butter, against all the butter sent under lend-lease from the United States—the 50,000,000 pounds sent to Russia.

In addition to food from Australia and New Zealand, United States forces in the British Isles have received about 350,000,000 pounds of food from the United Kingdom and almost 50,000,000 pounds have been furnished to our forces in India as reverse lend-lease. The British have, in addition, supplied American forces with substantial quantities of food in various colonial areas. In the Fijis alone, for example, they have provided our men with 15,000,000 pounds of fresh fruits and vegetables, including quantities of sweet corn, bananas, pineapples, and coconuts.

United States forces in the Mediterranean theater have also received as reverse lend-lease from the French many millions of pounds of food grown in French North and West Africa. French Africa is also helping to meet the food needs of the United Nations in Sicily and Italy.

Besides reverse lend-lease aid received in the United Kingdom, Australia, New Zealand, and India, we have received supplies and services as reverse lend-lease from the British in Central Africa, Iceland, the Fijis, the Caribbean, the Middle East, and North Africa; the French National Committee in North and West Africa, Equatorial Africa, and New Caledonia; Belgium in the Belgian Congo; the Netherlands in Surinam (Dutch Guiana) and the West Indies; and from China and the Soviet Union.

United States military and naval forces, our merchant marine, and the Red Cross have received without payment in overseas areas virtually every type of supply and service they need which our allies can supply locally.

The cataloging of the supplies and services which have been transferred under reverse lend-lease would require thousands of pages and list hundreds of thousands of items. They include all types of construction facilities—airfields and air bases, barracks, hospitals, warehouses and storage depots, ships and port facilities; foodstuffs and clothing and other quartermaster issues; all grades of petroleum products; munitions and military and naval stores; land, sea, and air transportation of personnel and freight; telegraph and telephone communications and

postal facilities; civilian labor and miscellaneous services. In addition our military and naval vessels and merchant marine fleet receive oil, ship stores and supplies, stevedoring and port expenses as reverse lend-lease in British ports and British areas throughout the world.

## II

The figures reported up to now for reverse lend-lease are an incomplete reflection of the value to us of these supplies and services. Reverse lend-lease expenditures by the British Commonwealth countries are made in their own currencies. The dollar figures are arrived at by translating pounds into dollars at official rates of exchange. This does not allow for differences in prices, which are generally lower than prices for the equivalent supplies procured in the United States. The figures are incomplete for other reasons. They do not include all the reverse lend-lease aid rendered on the spot in combat areas. Furthermore, accounting is slow and incomplete at best, because reverse lend-lease supplies are provided at thousands of different places all over the world, in large measure out of stocks on hand. This is in contrast to outgoing lend-lease supplies from the United States, which flow from a single, central source, under a unified appropriations and procurement procedure.

## III

It is also not possible to put a dollar figure on many reverse lend-lease services that have been rendered to us, particularly by the United Kingdom. Early in the war the British turned over to us, for example, priceless information on developments in radio-location made during the blitz. They also turned over to us all the specifications for the Merlin Rolls-Royce engine used in some of our best fighter planes, including the Mustangs that now accompany our bombers all the way to Berlin. The British have continued to provide us freely with detailed information on new weapons and equipment which they have developed. The most recent example is the jet-propulsion plane, invented by Group Capt. Frank Whittle, of the Royal Air Force. Both we and the British are now building planes developed from this invention, the specifications for which were freely made available to us. The value of this type of reverse lend-lease aid to us is exceedingly difficult—if not impossible—to translate into dollars.

Neither our lend-lease aid to the other United Nations nor their reverse lend-lease aid to us is a measure of our respective contributions toward winning victory over the Axis. The contributions of the United Nations have necessarily varied in accordance with their varying resources and the circumstances of the war. Some nations have given more in lives and ruined cities, some more in weapons and materials. There is, of course, no way to measure the value to us and the other United Nations of such contributions as Great Britain's heroic stand after Dunkirk when she fought back alone against the blitz and threatened invasion; nor the value of what the Soviet armies have done to the Nazis between the time Moscow and Leningrad were saved in November 1941 and the recapture last month of Krivoi Rog on the way back toward the German border; nor the value of the effects upon Japan of China's indomitable 6½-year struggle against the invaders of her soil.

So far as the contributions of the United Nations can be measured in financial terms, one of the best measurements is the extent to which each is devoting its national production to war. If each country devotes roughly the same portion of its gross national production to the defeat of the Axis Powers, the financial burden is distributed equitably among the United Nations in accordance with their capacities. Those with the most to give do not contribute more in proportion than those which draw upon more limited resources.

The United States is using for the lend-lease program about 14 percent of its total war expenditures. The other 86 percent used for our own direct war needs is just as much a contribution to the cause of United Nations victory as the 14 percent spent for lend-lease. An American bomber flown by an American crew over Germany is certainly no less a contribution than an American bomber flown over Germany by a British or Czech or Polish crew. Similarly that part of the war costs of our allies which is spent for reverse lend-lease aid to the United States or for aid to other United Nations is no more significant a contribution to our cause than what they spend for their own needs.

Our principal allies have been carrying on the war against the Axis longer than we have. Long before December 7, 1941, the Soviet Union, Great Britain, Canada, Australia, and New Zealand were devoting from about one-fourth to approximately one-half of their gross national production to the defeat of the



Axis. In 1941 the United States used about one-tenth of its gross national production for defense. In 1943 the Soviet Union, Britain, and the other nations of the British Commonwealth each used at least one-half of its gross national production for the war. The United States is just now reaching the point where one-half of our gross national production is devoted to all war purposes, including the value of all the aid we furnish under lend-lease. Thus at the present time the financial claims of war against the United States and our allies are approximately equal.

The contribution of United States production to the war, including lend-lease aid, is no greater in proportion to our resources than the contributions of our allies are in relation to their resources. It is much greater in volume because we have by far the greatest industrial capacity and we are far from the fighting fronts. Nevertheless, the supplies and services we have received from our allies have been large in relationship to what they have to contribute and of vital importance to our own fighting effectiveness and to the fighting strength of the United Nations as a whole.

Following is a detailed statement of the reverse lend-lease aid we have received overseas in the United Kingdom, Australia, New Zealand, and India:

#### UNITED KINGDOM

The United Kingdom Government estimates that its expenditures for providing reverse lend-lease supplies and services to United States forces and merchant marine up to January 1, 1944, were \$1,526,170,000, in the following major categories:

#### *Reverse lend-lease aid by United Kingdom through Dec. 31, 1943*

[Conversion from pound sterling at \$4.03]

Goods and services transferred in the United Kingdom.....	\$535, 990, 000
Shipping services.....	282, 100, 000
Airports, barracks, hospitals, and other construction in the United Kingdom.....	548, 080, 000
Goods and services transferred outside the United Kingdom.....	<sup>1</sup> 160, 000, 000
	<sup>2</sup> 1, 526, 170, 000

<sup>1</sup> Overseas expenditures for reverse lend-lease aid are estimated by the United Kingdom Government to total between \$160,000,000 and \$200,000,000 up to Dec. 31, 1943.

<sup>2</sup> Figures reported by the United Kingdom Government for last quarter of 1943 are preliminary.

A more detailed break-down of reverse lend-lease expenditures by the United Kingdom, excluding its overseas expenditures for supplies and services transferred outside the United Kingdom, is available for the period through September 30, 1943. It is as follows:

#### *Reverse lend-lease aid by United Kingdom through Sept. 30, 1943*

Goods and services transferred in the United Kingdom:	
Army supplies.....	\$171, 050, 000
Aircraft, etc.....	108, 810, 000
Industrial, naval, and other supplies.....	64, 480, 000
Miscellaneous services.....	92, 690, 000
Total.....	407, 030, 000
Shipping services:	
Freight services.....	185, 380, 000
Disbursements and bunkers.....	40, 300, 000
Total.....	225, 680, 000
Capital installations in the United Kingdom:	
Barracks, hospitals, etc.....	145, 080, 000
Airports.....	298, 220, 000
Other.....	28, 210, 000
Total.....	471, 510, 000

Total reverse lend-lease aid in United Kingdom through Sept. 30, 1943.....	1, 104, 220, 000
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Tens of thousands of items, big and little, have been and are being supplied to United States Army, Naval, and Air Forces in the United Kingdom as reverse lend-lease. Together they make up one-third of all the supplies and equipment currently required by our men in that theater.

The supplies we have received for the Eighth and Ninth United States Army Air Forces range from several hundred planes to hundreds of thousands of small tools and parts for use in the big repair and maintenance depots which the British have built for us along with the air bases from which our planes operate. Our fliers, who must operate in the extreme cold of high altitudes and against heavy fighter and antiaircraft opposition in their daylight raids, get specially armored flak suits and heated flying suits as reverse lend-lease and the British have also developed electrically heated muffs for our airforce gunners.

The British have now put into production and are turning over to us as reverse lend-lease newly designed and extremely lightweight auxiliary gas tanks. These easily jettisoned tanks have already enabled our P-47 Thunderbolt fighters to escort American Flying Fortresses and Liberators deeper inside Germany than ever before.

Two other reverse lend-lease items of vital importance to our fliers are the one-man dinghies devised and produced by the British for fliers forced down at sea and the mobile repair shops that have been provided throughout the British Isles for the salvage of planes which crash-land away from their bases.

Into our Air Force repair and maintenance depots flows a constant stream of reverse lend-lease materials, parts, and other equipment necessary to maintain our aircraft at peak fighting efficiency and to meet constantly changing battle conditions. Recent requisitions to meet our plane repair and adaptation needs which have been filled by the British without payment by us include items as varied as 1,357,730 square feet of steel and light alloy sheets and 235,000 rubber shock absorbers.

United States Army engineers in the United Kingdom have received as reverse lend-lease over 44,250,000 yards of steel landing mats, hundreds of miles of electric wiring, several million square feet of wallboard, millions of spare parts for motorized equipment and thousands of other items.

Our forces in the United Kingdom had received by the first of this year such items of uniform equipment as 1,750,000 pairs of woolen socks and nearly 1,500,000 pairs of woolen gloves.

Besides the Air Force and Army bases and barracks built for us under reverse lend-lease, the British Government pays the bills for billeting United States officers and men in private residential buildings. In one area alone in the United Kingdom, the British have recently been paying for billeting 27,000 officers and men. All official telephone, telegraph, and transportation costs of the United States forces and heat, light, and water bills are also paid for by the British.

Twenty percent of the food consumed by our forces in the United Kingdom is provided as reverse lend-lease, in spite of British food shortages. This food is produced locally or comes from the Dominions and Colonies. A large quantity of home-grown potatoes is included in the 350,000,000 pounds of food provided to our forces up to the first of the year, but the British have also provided our men with millions of pounds of such fresh vegetables as corn-on-the-cob, ordinarily little grown in England, besides doughnuts and American-style soft drinks for the Army post exchanges. Most other canteen supplies and supplies and equipment for American Red Cross centers and American merchant seamen's clubs in Britain are also provided as reverse lend-lease.

Over three-fourths of United States Army medical supplies in the United Kingdom are supplied as reciprocal aid, together with both newly built and requisitioned hospitals and ambulance trains.

#### AUSTRALIA

The Australian Government estimates that its expenditures for providing reverse lend-lease supplies and services to United States forces in the Southwest and South Pacific areas to January 1, 1944, totaled \$362,365,000, in the following major categories:

#### *Reverse lend-lease aid from Australia through Dec. 31, 1943*

[Conversion from Australian pound at \$3.23]

Stores and provisions .....	\$95, 121, 000
Technical equipment .....	8, 229, 000
Motor transport .....	31, 479, 000

*Reverse lend-lease aid from Australia through Dec. 31, 1943—Continued*

(Conversion from Australian pound at \$3.23)

Aircraft stores and equipment.....	\$35, 442, 000
General stores.....	43, 372, 000
Transportation and communication.....	28, 926, 000
Shipping.....	23, 280, 000
Works, buildings, and hirings.....	92, 990, 000
Miscellaneous.....	3, 526, 000
<b>Total.....</b>	<b>362, 365, 000</b>

About 18 percent of Australia's current war expenditures are being made for reverse lend-lease aid to the United States. The rate of expenditure has risen rapidly and the Australian Government is now spending at the rate of \$1,000,000 a day for reverse lend-lease aid furnished to us. The present monthly rate of reverse lend-lease aid furnished by Australia approximates the rate of lend-lease supplies being currently sent to Australia by the United States.

More than 90 percent of the food for American forces in the Southwest Pacific theater is being supplied as reverse lend-lease by Australia, together with large quantities of food for the forces under Admiral Halsey's command in the South Pacific theater.

Up to January 1, 1944, we had received over 500,000,000 pounds of food from Australia, including the following major items:

Beef.....	pounds--	75, 577, 000
Pork.....	do.....	37, 788, 000
Lamb.....	do.....	12, 596, 000
Bread and cereals.....	do.....	100, 831, 000
Emergency rations.....	do.....	28, 414, 000
Fruits and vegetables.....	do.....	97, 442, 000
Canned foods.....	do.....	91, 153, 000
Butter.....	do.....	12, 429, 000
Sugar.....	do.....	28, 562, 000
Eggs.....	dozen--	32, 060, 000

In 1944, we expect to receive between \$150,000,000 and \$200,000,000 worth of food from Australia, including at least 250,000,000 pounds of meat.

As in the case of the United Kingdom, New Zealand, and India, the figures for reverse lend-lease aid from Australia converted to dollars from pounds at the official exchange rate understate the financial value of this aid to us because of lower prices for many items in Australia. For example, Australia is currently engaged in filling reverse lend-lease orders for 1,000,000 blankets for the American Army at a cost to the Australian Government of \$2.64 a blanket. Substantially the same item costs \$7.67 in the United States. Similarly, many important food-stuffs cost only half as much in Australia as in the United States. If we had to procure and ship from the United States the same quantity of supplies that is being provided without cost to us by Australia, it would be necessary for us to expend from our own funds much more than the \$362,365,000 spent by Australia for us.

Among the thousands of miscellaneous items of equipment and supplies furnished to us by Australia are army boots and uniform shirts, jackets, and trousers by the hundred thousands. We expect to receive a million pairs of army boots alone in 1944.

Almost all the tires for American Army trucks are supplied as reverse lend-lease. Australia has turned over to us fleets of trawlers, launches, ketches, and small coastal steamers for use on the New Guinea and New Britain coasts and is currently engaged in a \$40,000,000 program for the construction of landing craft and barges for use in our Pacific operations.

Besides military stocks turned over to our forces, Australia has provided great repair depots and tools and parts for our planes, tanks, trucks, and other fighting equipment. The facilities constructed for our forces include also airfields, barracks, and port installations. Australia has also turned over for the exclusive use of our forces the finest hospital in Australia. This 10-story building, which was nearing completion as a civic enterprise in Melbourne at the time of Pearl Harbor, was converted to military needs and handed over completely equipped to the United States Army Medical Corps.



## NEW ZEALAND

The New Zealand Government estimates that its expenditures for reverse lend-lease supplies to United States forces in the South and Southwest Pacific theaters totaled \$91,886,000 up to January 1, 1944. The aid by major categories was as follows:

*Reverse lend-lease aid from New Zealand through Dec. 31, 1943*

[Conversion from New Zealand pound at \$3.25]	
Foodstuffs.....	\$29, 500, 000
Equipment and supplies.....	13, 367, 000
Repairs and services.....	13, 955, 000
Camps.....	6, 737, 000
Warehouses.....	6, 604, 000
Hospitals.....	6, 903, 000
Miscellaneous building projects.....	8, 320, 000
Ship construction.....	6, 500, 000
Total.....	91, 886, 000

The first American Army troops landed in New Zealand in June 1942. A month earlier the New Zealand Government made its first expenditures for reverse lend-lease aid in preparation for the arrival of our forces. New Zealand has spent \$6,500,000 for small vessels and landing craft which our forces are using in operations against Japanese island strongholds in the Pacific.

New Zealand provides almost all the food for American forces on the home islands, besides large quantities for our forces throughout the South Pacific area.

Up to January 1, 1944, we had been supplied with over 300,000,000 pounds of food from New Zealand. Detailed reports for major categories were reported through November 1, 1943, as follows:

	Pounds
Butter, including canned.....	14, 574, 821
Cheese, including canned.....	4, 940, 000
Eggs (dozen).....	1, 885, 134
Bacon and ham.....	20, 075, 324
Beet and other meats (frozen).....	<sup>1</sup> 86, 164, 964
Meat (canned).....	<sup>2</sup> 33, 767, 277
Milk (evaporated).....	6, 818, 542
Sugar.....	26, 715, 126
Tea.....	596, 462
Vegetables (canned).....	8, 445, 311
Potatoes.....	41, 550, 080
Other fresh vegetables.....	27, 807, 715
Apples (fresh).....	12, 160, 000

<sup>1</sup> About two-thirds consists of beef and veal.

<sup>2</sup> About half consists of beef and veal.

During 1944 the New Zealand Government expects to spend more than \$50,000,000 for foodstuffs for our forces, two-thirds again as much as during the preceding 19 months. To make this program possible the New Zealand Government is diverting large shipments of foodstuffs from those peacetime markets in which they are ordinarily sold for cash.

Today, as in the case of Australia, the monthly rate of the reverse lend-lease aid which we are receiving from New Zealand, with a population of 1,640,000 people, approximates the monthly rate of lend-lease supplies sent from the United States.

## INDIA

The Government of India has not yet provided a statement of its expenditures for reverse lend-lease aid to United States forces in India, but receipts reported by the United States Army in this theater up to January 1, 1944, totaled \$114,451,000 in the following categories:

*Reverse lend-lease aid in India through Dec. 31, 1943 (as reported by United States Army)*

Military stores and equipment.....	\$6, 598, 000
Transportation and communication.....	7, 627, 000
Petroleum products.....	40, 652, 000
Construction.....	43, 033, 000
Subsistence and miscellaneous.....	16, 541, 000
Total.....	114, 451, 000

The rate of reverse lend-lease supplies and services received in India by United States forces has increased rapidly. In the 6 months between June 30, 1943, and December 31, 1943, we received as much aid as in the entire preceding 13 months.

Our forces in India receive as reverse lend-lease aviation gasoline from the British refinery at Abadan, together with other petroleum products and motor oils. We also receive postal, telephone, and telegraph services, equipment and construction assistance for our Army and Air Force bases, tropical uniforms for use in the intense heat of India and the jungle fighting in Burma, and thousands of items of miscellaneous supplies, stores, and equipment.

#### OTHER COUNTRIES

Our other allies have not been in a position to provide reverse lend-lease supplies and services to American forces on the same scale, nor has the need for such aid arisen. The territory of some of the United Nations has been completely overrun by the enemy. The Soviet Union and China, both invaded, have required all they could produce, besides what we could send them, for fighting the invaders on their soil. Still others of the United Nations are too far from the fighting fronts for the need to have arisen to supply American forces. Nevertheless, each of our allies is providing us with reverse lend-lease aid in accordance with its resources and our needs.

The Government of the Netherlands pays as reverse lend-lease all of the expenses for locally procured supplies for American forces in Surinam and the Netherlands West Indies. In the Belgian Congo, American forces are receiving barracks, transportation, and supplies and services as reverse lend-lease. The French Committee of National Liberation has provided reverse lend-lease aid estimated at about \$30,000,000 to our troops in French North Africa and West Africa, in addition to aid furnished in New Caledonia and Equatorial Africa.

The Soviet Union provides ship stores, repairs, and other services to United States vessels in Soviet ports. China insisted on turning over without cost to the Fourteenth United States Air Force the 28 surviving P-40 planes of the 100 used by the Flying Tigers. These planes were originally purchased for cash by the Chinese Government from the United States.

As new needs arise reverse lend-lease is taking new forms and is including new areas. Our allies are faithfully discharging their undertaking "to contribute to the defense of the United States of America and the strengthening thereof" and to "provide such articles, services, facilities, or information as they may be in a position to supply."

#### STATEMENT OF REAR ADMIRAL EMORY S. LAND, CHAIRMAN, WAR SHIPPING ADMINISTRATION, AND CHAIRMAN, MARITIME COMMISSION

Chairman BLOOM. Admiral Land, I understand you wish to make a statement at this time.

Admiral LAND. I apologize to the committee for the length of my statement. If you have no objection, I will read it.

Chairman BLOOM. I think it better for you to read it, and then the committee will ask you questions.

Admiral LAND. Mr. Chairman, your committee is already familiar with the record of the Foreign Economic Administration and its predecessor, the Office of Lend-Lease Administration, in providing our allies with munitions and materials essential to the gigantic war effort in which we are now engaged. You know, too, where the responsibility lies to furnish the ocean-borne transportation for these huge supplies. The Maritime Commission builds the ships and the War Shipping Administration operates them.

Last year there was outlined the scope of War Shipping Administration and Maritime Commission operations. Those things are true today with this difference: The record of achievement in the last year is markedly better.

The shipbuilding record, for example; between January 1, 1941, and January 1, 1944, there were constructed in the United States, 2,861 vessels—dry cargo, tankers, and miscellaneous coasters, barges, and tugs aggregating 28,844,705 tons, dead weight. Of the total dead-weight tonnage constructed during the past 3 years approximately 80 percent was in the form of vessels of the dry-cargo type, and about 17 percent was in the form of tankers, the remaining 3 percent consisted of miscellaneous vessels. The tonnage constructed in 1943 was more than double the 1942 achievement. And, in 1944, we propose to add approximately another 18,500,000 dead-weight tons. This is an accomplishment that stands on its own feet.

All of the tonnage which has been built is not now afloat. We have suffered many losses from enemy action. I am happy to pay tribute to the naval convoys and air services, British and American, which have reduced our sinkings by enemy submarines to a small fraction of what they were at their peak. But I must warn you of the losses which we may suffer in the months that lie ahead as our military forces transport their supplies closer and closer to Berlin and Tokyo. For security reasons one cannot tell exactly how many ships we have in service today. While this knowledge might not comfort the enemy it surely would assist him.

Our own ships last year carried, by far, the bulk of the lend-lease cargo shipped abroad. Last year vessels in the control of the War Shipping Administration made 2,876 sailings transporting lend-lease material. Of this total, 2,267 sailings were for Great Britain, her colonies and dominions, 328 for Russia, and 281 for other lend-lease countries. Not only does this represent a marked gain in lend-lease sailings over the previous year, but significantly, a larger proportion of the cargoes loaded actually were delivered. Less than 2 percent of all our lend-lease shipments were lost last year, as a result of enemy action, as compared with losses of about 5 percent in 1942.

In this connection you may be interested in our movement of lend-lease cargo to Russia. A year ago we were losing, as a result of enemy action, 12 out of every 100 ships supplying the Soviet Union. That means 12 ships loaded with urgently needed tanks, trucks, guns, and weapons of all kinds. Today only one ship out of every hundred on the Russian supply line is being sunk. Today, too, the short Mediterranean route is open. This is the equivalent of a fleet of new merchant ships.

This improvement in our ability to deliver the goods to Russia has not been without effect. Some of the results were announced by Mr. Crowley the other day when he summarized the quantities of aid of various types sent to the Soviets. It is no accident that Russia last summer was able to seize and maintain the initiative against the Nazis. Last summer, for the first time, lend-lease shipments to Russia exceeded the monthly rate of shipments called for by the Russian protocol.

The President's Protocol Committee prepares a program of shipments for the lend-lease supplies which Russia vitally needs. We are now more than meeting that schedule. As of January 1, 1944, lend-lease shipments of war material amounted to 133 percent of the target set for the first half of the current protocol.

That brings me to another aspect of our shipping picture. The American merchant marine today is a fully integrated part of the



United Nations' war effort. The sailing of every cargo vessel and tanker from a United States port is scheduled so as to move the largest volume of war material in the quickest time. The out-bound cargo which we handle is either for the account of the Army, the Navy, or lend-lease, or it is cargo the export of which is deemed essential to Allied war production or civilian needs. Through the collaboration of the State Department, the Foreign Economic Administration, the Army, the Navy, and the War Shipping Administration, all goods moving to port for overseas shipment are controlled to prevent the export of goods not essential to the total war effort.

In 1943, the total of ocean-borne dry-cargo shipments of all kinds from the United States to various ports throughout the world amounted to 46,869,000 long tons of cargo. That was 42 percent more than we shipped in 1942. More than four-fifths of that out-bound tonnage was carried in vessels controlled by the War Shipping Administration.

Of the total dry-cargo carried out-bound last year, approximately 42 percent was for our own Army and Navy, approximately another 42 percent represented lend-lease cargo, and the remainder was, in general, essential civilian cargo, shipped by American exporters to various parts of the world under carefully controlled export programs, which of necessity must be maintained in wartime.

Exports make up only one side of the shipping ledger. The other is the import side. Shipping, commercial trade, and lend-lease are all two-way operations. In 1943 imports carried on War Shipping Administration and other vessels from foreign ports to meet our own essential war needs totaled 19,480,000 long tons. This is to be compared with 17,509,000 long tons in 1942. More than four-fifths of the total in 1943 was lifted by vessels under the control of the War Shipping Administration.

The out-bound tonnage carried last year was approximately two and a half times the in-bound tonnage. This is the natural result of the fact that this war is being fought at the other end of our ocean supply lines. Our troops and those of our allies must be supplied at the battle fronts in Europe, Africa, and Asia. The tonnage that we carry to the front lines will inevitably be disproportionate to the tonnage we can bring back.

War necessity requires that imports be controlled as carefully as exports. The War Production Board and the War Food Administration have the chief responsibility for determining our import requirements. In cooperation with these agencies, with the State Department, and with the Foreign Economic Administration, the War Shipping Administration endeavors to work out the shipping agreements to meet these essential requirements and to fit them in with other demands made for wartime shipping.

In our in-bound voyages we take home all of the essential materials, not allocated to our allies, that we can get. Sometimes we may also take on cargo of lesser essentiality when doing so does not impair the full use of our vessels in the war effort. Moreover, something has to be taken on as ballast for proper operations.

You know that shipping in wartime differs from normal commercial operation. We need ships so badly to transport the vast quantities of weapons being produced by American technical genius that we can't allow our ships to be tied up in foreign ports for any length of

time awaiting a return load. In some cases it is too dangerous to leave our ships under the bombs and guns of the enemy for a moment more than it takes to unload their valuable cargo. In almost all cases docks and port facilities are at such a premium that ships, as soon as unloaded, must yield their berths to incoming vessels awaiting discharge of their cargo. A tour of some of our ports—both here and abroad—would show you the tremendous achievements which have become a part of our daily operations.

Our primary lend-lease job is that of physically delivering the weapons of war to the people and the places where the most force can be brought to bear against the Nazis and the Japs.

There are, however, other lend-lease operations. The Maritime Commission and the War Shipping Administration on behalf of the Foreign Economic Administration, supply the essential maritime and shipping needs of lend-lease countries. These include, in addition to the transportation of war material on our ships, the servicing, supplying, and repairing of merchant vessels in United States ports; the transfer of small boats, tugs, and barges for use in military and foreign operations; the building and leasing of merchant vessels for wartime operation by lend-lease countries using trained crews made up of their own nationals; and the conversion of ships into troop carriers in preparation for the coming European offensive.

The War Shipping Administration checks all requests for lend-lease aid in advance of procurement or the rendering of services. For example, we determine first, whether the furnishing of the aid is in the best interests of the war effort, and second, we examine our ability to supply in the light of all the competing needs. Requests for lend-lease aid are presented on a month-to-month basis covering transportation of war materials, normal ship repairs, servicing and supplying of ships, and other recurring items, while nonrecurring requirements are presented in individual requisitions, detailing the exact nature of the assistance required.

When requisitions for lend-lease aid are formally approved by the Foreign Economic Administration, they are submitted to us with authority either to procure or to render a service. In carrying out the procurement or service under these requisitions, the War Shipping Administration applies its own operating standards based upon its own experience. Voyage repairs to foreign merchant ships are limited to work required for seaworthiness and cargoworthiness of the vessels; quantities of stores and supplies furnished vessels are restricted to standard requirements for trades in which the vessels serviced are regularly employed. All of our lend-lease operations are carried out with funds made available to us by the Foreign Economic Administration, with the single exception of ships acquired by the Maritime Commission out of its construction funds, and lend-leased, with Foreign Economic Administration approval, to foreign governments.

Ship repairs are a good example of the type of lend-lease aid which we render. During 1943 the War Shipping Administration repaired, under lend-lease, 2,055 United Nations' vessels in American repair yards. Lend-lease has made it possible to pool the United Nations' ship repair facilities so as to obtain maximum efficiency. The objective is to keep as many ships as possible of maximum usefulness. The same principles govern the lend-leasing and reverse lend-leasing of services and supplies. Stevedoring, port expenses, and fuel

illustrate the type of services furnished to foreign controlled vessels. During 1943, more than 6,000 such servicings were rendered under lend-lease.

One of the places where the lend-lease mechanism has been of great assistance in our shipping operations has been in the utilization of the skilled seamen of foreign nations. Great maritime nations such as Norway and Great Britain have suffered severe losses in their merchant marine. Moreover, these nations no longer have the capacity to replace their losses with new building. Consequently, in numerous instances, these nations have had a pool of trained manpower but no merchant ships in which they might be put to work.

Norway, for example, had the fourth largest merchant marine in the world when she was made the victim of Nazi aggression. Today, as a result of enemy action and wartime losses the Norwegian merchant fleet has been reduced to less than one-half its pre-war size. This left Norway, a nation with a great seafaring tradition, with a large reservoir of very competent sailors. It was important that the skill and efficiency of these seafaring people should be brought to bear on the Allied side. In order to utilize this pool of available manpower, ships had to be supplied. This we have done under lend-lease authority.

Title to all of these lend-leased ships remains with the United States.

As of February 15 of this year, we had delivered to the Norwegians, under chartering agreements, 11 merchant vessels. Seven of these lend-leased ships were Liberty ships and the rest were dry-cargo vessels of the C-1 type (Diesel engine propulsion). These vessels are sailed under the Norwegian flag by Norwegian crews. They are operated, however, in the War Shipping Administration's service. Under lend-lease, we have in this way succeeded in utilizing the skill of Norwegian sailors to the advantage of the United Nations.

Similarly, we have lend-leased in the same way, two Liberty ships to China for operation by Chinese crews. Two merchant vessels have also been lend-leased to the Greek Government and two to the Netherlands.

Moreover, we have chartered under lend-lease a number of merchant ships to the British. By the end of April or May we expect to complete the delivery of about 200 vessels covered in the program announced last summer. Ship losses have severely crippled the ability of the United Kingdom to move its essential war materials. The burden on our merchant marine, therefore, became increasingly heavy. This burden has now been materially lessened by the chartering of vessels to the British for operation under the British flag with British crews. Title remains in the United States.

The chartering of cargo vessels to the British for operation by their own crews under their own flag has several direct and immediate benefits. It utilizes skilled manpower which might otherwise be wasted. In addition, it reduces the volume of lend-lease cargo which has to be moved in War Shipping Administration vessels. This, in turn, means a reduction in lend-lease expenditures to meet shipping costs as well as a substantial reduction in War Shipping Administration operating costs. Finally, these chartering arrangements shift back into British hands some of the operating responsibility which



we were forced to assume when the British Fleet became badly crippled by the war.

The American merchant fleet now bears the bulk of the shipping responsibility in the struggle against the Axis. Today our fleet—the tonnage of dry-cargo vessels that we own—is at least 40 percent greater than that of any other nation, and, in fact, exceeds the fleets of all the rest of the United Nations combined. Our vessels now operate in every kind of trade throughout the world. Consequently, they require services, supplies, and repairs in the ports of almost all of the United Nations. These disbursements in the United Kingdom and her colonies, as well as in Australia, New Zealand, and India, are being met under reverse lend-lease. These reverse lend-lease arrangements have been worked out by the War Shipping Administration and the Foreign Economic Administration with the respective governments in line with the over-all agreements between the United States and the several governments. We estimate that the value of this reverse lend-lease assistance in services related to shipping alone is presently accruing at the rate of more than \$80,000,000 per annum.

In the President's Twelfth Report to Congress on Lend-Lease Operations, the value of shipping and shipping services furnished as reverse lend-lease by the United Kingdom alone—excluding the Dominions—totaled \$169,000,000 for the period ended June 30, 1943. This included disbursements of the type just mentioned, on Army, Navy, and War Shipping Administration operated vessels. It likewise included transportation services and the use of full ships supplied by the United Kingdom Government to the Army, Navy, and the War Shipping Administration. All Army and Navy cargo moving on British vessels is carried under reverse lend-lease without charge. Likewise the transportation on British vessels of the raw materials supplied to the United States as reciprocal aid is moved freight free.

One could multiply examples of the uses of lend-lease in promoting efficiency and flexibility in the operation of our merchant fleet. One illustration is the efficient and interchangeable loading of lend-lease and Army ships which has been worked out for lend-lease and Army cargo. For example, the vessels made available to the Army, especially those going to the United Kingdom, may carry lend-lease goods (usually weight or bottom cargo) whenever this results in more efficient loading of the vessel. Likewise, Army material (usually measurement cargo) is often loaded on ships carrying primarily lend-lease cargo in order to utilize as fully as possible the weight and cubic carrying capacity of the vessels. Shipping space is still our most valuable war commodity, and every effort is made to use it fully. Another illustration of efficiency under lend-lease is the highly technical and specialized procedure worked out for procuring and forwarding to loading ports the vast quantities of war materials destined for different Allied nations. Lend-lease made possible a centralized control over this process. Nowhere in the complex machinery of wartime supply, procurement, inland transport, and shipping do the gears mesh better. This is in itself the strongest kind of justification for lend-lease.

Last year, I testified that I favored the extension of the Lend-Lease Act. I also testified that lend-lease, and reverse lend-lease, in my opinion, should not be abandoned. My conviction on this

subject is the same, if not even greater, today. Under the lend-lease mechanism we have worked out a smooth and flexible system of inter-Allied war supply. To disrupt that system would be to imperil not only Allied unity but the ability with which we can supply our joint forces in the coming hour of decision. We have worked out under lend-lease a system of pooling war resources and the war potential of the United Nations. This system has yielded excellent results. I believe it is imperative in the national interest, not only that the Lend-Lease Act be extended, but that it be left unchanged.

Chairman BLOOM. Thank you very much for your fine statement, Admiral Land.

Mr. Johnson, do you wish to ask Admiral Land any questions?

Mr. JOHNSON. Admiral Land, you are speaking today on behalf of two Government organizations, namely the War Shipping Administration and the Maritime Commission, and I understand you are the head of both. Is that right?

Admiral LAND. Yes, sir.

Mr. JOHNSON. What is the War Shipping Administration? Will you explain it to us?

Admiral LAND. The War Shipping Administration was set up by an Executive order of the President and I was designated as War Shipping Administrator, Mr. L. W. Douglas is the Deputy Administrator, and he is the No. 1 man in the War Shipping Administration insofar as ship operations and allocations are concerned.

Under the War Shipping Administration the other deputy administrators are Capt. Edward Macauley, who is responsible for manning all these vessels, including training. On the construction side, Admiral Howard L. Vickery is Deputy Administrator for construction. Both Vickery and Macauley are members of the Maritime Commission; so it is certainly, from the administrative point of view, a coordinated effort.

What it has accomplished depends on personnel rather than machinery, as far as the administrative picture is concerned.

On the War Shipping Administration operating side, by special act of Congress we were permitted to employ, without civil service requirements, operators of ships, so that while in theory, we in Washington, operate ships, practically we do not. The operation of the vast fleet of nearly 3,000 ships is done by the experienced personnel of the United States who are our general agents, our berth agents, and our subagents.

Now another function of shipping control is known as the Combined Shipping Adjustment Board, with boards in London and Washington, Lord Leather being the English head and Mr. Philip Reed the American head in London. In Washington Mr. John Maclay is the British representative and Mr. Douglas and myself represent the United States on the Combined Shipping Adjustment Board. Between the two boards here and in London there is the closest coordination and cooperation.

We have far-flung representation throughout every part of the world where our ships go, and that means we follow the global warfare, with our vessels right behind the military. That is a general statement.

Mr. JOHNSON. That is a very informative statement. I am not sure I know all about the workings of the War Shipping Administration, but I think that is an admirable description of what you are and what you are doing.

The Maritime Commission, of which you are the head, is not only a wartime but a peacetime organization, as its name indicates—marine shipping?

Admiral LAND. Yes, sir.

Mr. JOHNSON. The Maritime Commission is the agency which has been constructing the vast shipbuilding program that we have had since the war began.

Admiral LAND. That is correct; it is made up of five members appointed by the President and confirmed by the Senate. Its main object in life is the shipbuilding program. We, of course, have statutory requirements under the Merchant Marine Act of 1936 as amended, which have to do with rates, regulations, and various things of that character; but the major job of the Maritime Commission since the war started has been the building of ships.

Mr. JOHNSON. You have done a swell job, from all accounts. Off hand, could you give us a statement of what you have accomplished in the way of building ships, such as your latest ones?

Admiral LAND. That is all in my statement that I just read. We have pretty well blown our own horn for some time.

Mr. JOHNSON. It sounds so good I thought you might want to blow it again. I want to congratulate you and the country that you are the head of these two agencies. I remember the times when you would come before our committee when you were in the Navy, wearing a uniform, and when you did a good job for the Navy; and you have done an outstanding form of service to this war. I am glad you are in those positions.

Admiral LAND. Thank you. I am most grateful for your comments. Chairman BLOOM. Mrs. Rogers, have you any questions?

Mrs. ROGERS. I have no questions; it was a very fine statement.

Chairman BLOOM. Mr. Kee, have you any questions?

Mr. KEE. Admiral Land, I am interested in that part of your statement where you said that you delivered several vessels to the Norwegian Government in order to be able to use the additional Norwegian shipping crews, etc.; but that those vessels were operated under the War Shipping Administration. Is the status of those vessels that they are under the full control and direction of the War Shipping Administration the same as American vessels rigged and flying the American flag?

Admiral LAND. Generally speaking, yes; because in this Combined Shipping Adjustment Board we have two shipping pools which we amalgamated into one pool; but, if you like, you can call it either one or two. These ships which we allocated to United Nations and fly foreign flags are manned by their crews; they are husbanded and cared for under that flag, but they are under the control of the War Shipping Administration or the Combined Shipping Adjustment Board in Washington and London, so that we have a cooperative effort, in short, a centrally controlled United Nations fleet of the world.

Mr. KEE. The status of these vessels is about the same as the status of the ordinary American vessel, except that they are operated by



Norwegians and under the Norwegian flag, and that is true of ships operated by other countries.

Admiral LAND. That is generally correct; yes, sir. There are variations of that in what we regard as specific cases. There is some variation, not in this allocation but in what we call strategic military requirements; and some allocations which have been made specifically for a specific task and that comes distinctly under the military and that is in accordance with the Executive order setting up W. S. A.

I might just sum it up in one sentence. We are called "shipping czars" when, as a matter of fact, we are not czars but servants of the Army, and the Navy, for their strategic military requirements. We are also servants of the War Production Board for imports, and we are servants of the Foreign Economic Administration, the State Department and the War Food Administration for exports. We furnish ocean transportation for the United States Government, and in combination we control directly and indirectly the shipping transportation of all vessels under the United Nations' flags.

Mr. KEE. The status of the vessels that you say have been chartered to the British Government, they are under different status, are they not?

Admiral LAND. No, sir; all these vessels that we have allocated are under practically the same status. We retain titles. They operate them, husband them, pay operating expenses, and they operate in the pool.

Mr. KEE. All of them operate out of the same pool, whether they are chartered or have been allocated to the Norwegian Government.

Admiral LAND. That is true, and the only reason I distinguish it at all is because we have this Washington and London control.

Mr. KEE. That is all.

Chairman BLOOM. Mr. Chipfield, have you any question?

Mr. CHIPFIELD. Admiral Land, I want to thank you for this very interesting and illuminating statement this morning. I think Judge Kee and I must be thinking along the same line today because I had in mind asking some questions along the lines that he just asked.

I was especially interested in the way you arranged for the transfer of these ships to other countries so as to take advantage of the skilled crews that are available.

Now just to a laymen, with these many ships coming off the ways it must be a very difficult problem to secure trained crews for them. I wonder if you can comment on how you do secure the crews. Do you have any places where the men could be trained, or could you give us any information along that line?

Admiral LAND. I should be delighted to do so and I should like to preface my remarks by saying that long after our people have forgotten the shipbuilding program I hope they will remember we set up training for licensed and unlicensed personnel for our American merchant marine which will stand for eternity, because that is a monument of which I hope to be more proud than of shipbuilding.

To be specific, the United States Merchant Marine Academy at Kings Point, N. Y., which was dedicated September 30, 1943, compares in my humble opinion with West Point and Annapolis. There we train officers as cadets. It has a capacity of 2,600 and the peacetime capacity is between 600 and 1,000. It is under the superintendency of Capt. Giles Stedman who is one of the outstanding marine

officers of the world. We have a training station at New London, Conn., for refresher courses for officers. We also have basic training schools for cadets at San Mateo, Calif., and Pass Christian, Miss., which give all the training essential for the cadets before they go to the Merchant Marine Academy.

On the east coast, Gulf coast, and west coast we have schools for the training of the enlisted personnel; and we have followed the formula of the Army and the Navy special schools for special services, special engineering schools, schools for bakers, stewards, and that sort of thing, and all that has been set up with a reasonable degree of completeness; and I trust all of that will compare favorably with the Army and the Navy, and the class of personnel we are securing from these schools is remarkable, particularly in regard to its ability, fineness and stability in its manhood.

All this was started by act of Congress, it being the present Merchant Marine Act of 1936. At first, there was some opposition; the law was modified and improved; under the law the organization itself has been expanded in accordance with the shipbuilding program. Captain Macauley, deputy administrator for personnel, has followed along, paralleling the construction program with the training and recruiting and manning program.

The training is under Mr. Telfair Knight and the recruitment and manning are under Mr. M. E. Dimock.

We have brought back to the sea men who have been previously at sea in the sum total of nearly 30,000. We trained over 40,000 men. We started out with about 45,000 or 50,000 men in the normal merchant marine, and we have built that up to about 130,000 or 140,000; it was intimated only this year that by the end of the year it would grow up to 170,000 or 180,000 men in the American merchant marine, and the way things look now under recent estimates it will be 200,000.

Mr. CHIPERFIELD. Mr. Chairman, may I ask a question?

Chairman BLOOM. Mr. Chiperfield.

Mr. CHIPERFIELD. Admiral Land, has it been necessary to use Army or Navy crews on some of these vessels, rather than civilian crews?

Admiral LAND. Not in the W. S. A.; but we have categories in which we turn a ship over to the Army, and it may be manned by Army personnel; it may be manned by our personnel or it may be manned by Navy personnel, dependent upon the judgment of the service to which the vessel is assigned and the availability of the personnel. Naturally, with the shortage of manpower that there is, you can understand that there is a good deal of competition between the various services, and I have been very much surprised at our ability to obtain this personnel because most of them would rather go into uniformed service. However, our efforts have been quite successful and I have been quite pleased with our success. Little has been said about it, but nevertheless it is accomplishing the purpose; and I think, with one or two exceptions, in the 2½ years we have been doing this, no ships have missed a convoy; although we have had a few delays; sometimes the men did not like the color of the master's hair or the steward's mustache. The merchant marine men have done the job assigned them, and with their platform of no-strike, no-lockout, they have lived up to it in a fine fashion, a good deal better than any other

group of people in the United States. I pay high tribute to merchant mariners.

Mr. CHIPERFIELD. Has any difficulty been experienced between the enlisted personnel of the Army and Navy and the civilian crews?

Admiral LAND. At the beginning there was a certain amount of friction. There was discussion in regard to rates of pay; there were discussions also in regard to the question of discipline. I can assure you that those conditions have very materially improved. Such differences as existed between the armed guard and the crews of the merchant marine over rates of pay have been broken down. They have been analyzed and published and they show that even with the bonuses under various conditions, if you count all the emoluments which go with the Navy uniform, there is not a great deal of difference between the two. To be exact, an AB seaman gets the same pay as a first- and second-class mechanic in a shipyard or in an airplane factory, and he does not have "all night in and beans for breakfast" and he has a lot more hazards.

Mr. MUNDT. What would they be paid in dollars and cents?

Admiral LAND. Around \$57 a week. That is just an over-all average and, of course, they are paid bonuses and they are entitled to them; they are paid bonuses according to the danger they go through; a Presidential board determines these bonus figures. Naturally, it is going to be tough if the pay gets less. I am glad I am not on the Board that has to consider those matters.

Mrs. BOLTON. May I ask a question at this point? On what basis are the bonuses paid?

Admiral LAND. The bonuses depend on the danger and you do not get port bonuses unless you get bombed. The more danger you are in, the more bonuses you will receive.

Mrs. ROGERS. Bonuses are only paid where the ships run in danger zones and are bombed?

Admiral LAND. Yes; and they have very much less protection on a merchant ship than on a combat ship. The merchant ships are more vulnerable. They do not have many watertight compartments and the compartment partitioning is much lighter. These Liberty ships are a simple character of cargo ships. We furnish them with all the lifesaving equipment that is required, but they do run a great hazard. Of course, conditions now are not as serious as they were. The year 1942 was a very bad year. The year 1943 was much better, and I think we are on the upgrade but I also think the warnings given by the military people deserve serious consideration. They say that we have not stopped the submarines and just when they will come out they do not know, but until the morale of the German submarine service collapses some time or other you may expect a tremendous loss, if they catch us unawares; because they do exist, which is a well-known fact—while we destroyed a great many of them, they are still a good many of them that are on top of the surface. Just how they are going to use them we do not know.

Mrs. BOLTON. Are all the merchant ships armed?

Admiral LAND. All the merchant ships are armed. Guns are furnished by the Navy but we install them.

Mrs. BOLTON. And the Navy puts crews on them; that is, gun crews?



Admiral LAND. Yes. I would just like to add that there has been a material improvement in the discipline of the Merchant Marine. I would not brag about what it was in 1936 and 1937, but it has been slowly improving and under present conditions when a merchant ship gets into a combat area, everybody on board from the captain to the wiper, comes under the combat area commander and they can give out the same kind of discipline that they give out to the armed services. There was a case came to court in regard to a seaman and the charge was that there was an usurpation of power. I was glad the judge decided it was not. He said in the combat area they should have the same treatment whether in uniform or not uniformed, and discipline as a result has greatly improved.

The Coast Guard has been of great help to us. They meet every incoming ship and adjudicate all cases right on the spot so that there will be no A. B. C. boards where they sit around month after month to take disciplinary action; so I am quite proud of the behavior of our merchant mariners. They are still our sailors and they still have an interest in wine, women, and song, and very few of them can sing. [Laughter.]

Mr. JOHNSON. Admiral, I was interested in hearing your statement in reference to the Navy's part in the armed guard service of your fleet, because my oldest son is in the Navy and is in the armed guard service. From reports I have received from my son, there is no real conflict between them and the civilian crews. In fact, he says that on the whole there has been excellent cooperation between the ship's crew and the naval representatives on them, as I understood you to say.

Admiral LAND. In the early days there were a few cases, and some of them were rather unpleasant. There were charges of too much pay and all that sort of thing. I think that has practically disappeared. However, as far as human beings are concerned, you will always have these petty disagreements and controversies between John Jones and Bill Smith, but conditions on the whole have improved materially. I would say that conditions that existed between the armed guards and the merchant mariners have improved 85 to 100 percent. Of course, you will find isolated cases here and there. I was in the Navy a long time and I do not think all the armed guard officers were 99.44 percent pure. [Laughter.]

Chairman BLOOM. Mr. Richards, have you any questions?

Mr. RICHARDS. Admiral, in your very admirable statement you say:

All Army and Navy cargo moving on British vessels is carried under reverse lend-lease without charge.

Admiral LAND. Yes, sir.

Mr. RICHARDS. You say further:

Likewise the transportation on British vessels of the raw materials supplied to the United States as reciprocal aid is moved freight-free.

You mean, do you not, that a charge is made but it is credited to their reverse lend-lease?

Admiral LAND. Yes, sir.

Mr. RICHARDS. Now, a member of this committee, in questioning a witness the other day brought up a point and asked about a report he had received that a good many of the American vessels came back empty. You explained that very well, I thought, in your statement,

why that was the case. The report received stated that most of the British vessels came here full. What about that?

Admiral LAND. Well, that is not even a half truth. I think the record will indicate that there is probably a little more cargo in British ships than there is in ours, but there are various reasons for that. As I explained in my statement, we need ships so badly to transport the vast quantities of weapons being produced by American technical genius that we can't allow our ships to be tied up in foreign ports for any length of time awaiting a return load. In some cases, as I said, it is too dangerous to leave our ships under the bombs and guns of the enemy for a moment more than it takes to unload the invaluable cargo. In almost all cases dock and port facilities are at such a premium that ships as soon as unloaded must yield their berths to incoming vessels awaiting discharge of their cargo. If we can get any cargo any time, particularly any kind of strategic material, we will get it. There are cases where we bring in commercial cargo. It is much better to bring in legitimate cargo than sand and ballast.

Then, again, these Liberty ships do not operate well unless they have some load. They are very blunt-bowed and unless they are properly ballasted they may vibrate excessively and we have had failures through vibration, and so we have given hard and fast instructions to ballast properly. Some is permanent ballast and some is liquid ballast, and some of it, we hope, is cargo that is a proper thing to bring in. In some cases undoubtedly there is civilian cargo, commercial cargo. We are always glad to get it.

Mr. RICHARDS. But you would rather have the ship come out without cargo rather than run the chance of losing the ship.

Admiral LAND. That was particularly true in the north African campaign. We never waited a minute, particularly when the enemy air people were working. That is also true in the southwest Pacific, and that is still true in some parts of the Mediterranean. We do not wait for cargo and as soon as the ships are unloaded they immediately turn around. There are very few ships which come home full from any place. Take Russia. What can you bring out from Murmansk or Archangel in the way of lumber or chrome with the way the labor situation is? They have not time to load ships and they have not the railroads or other transportation to get it in there, so many of the ships come back in ballast.

Mr. RICHARDS. Admiral, I noticed in the press that you had some ideas to do with the use of your ship tonnage after the war. We cannot possibly use a large fraction of it. What will we do with it? Give it away, sell it, or what?

Admiral LAND. Aren't you getting me out of my depths? In my judgment we ought not to give any of it away. It ought to be sold. In my judgment we should, first, reserve a good portion for our merchant fleet and then, second, we should reserve a part of it as an auxiliary to the United States Navy and the protection of the peace of the United States, unless you want to go through this again—ladies being present, I cannot say—this fool business of another war 20 years from now with no proper merchant marine. You never have maintained a proper merchant marine in this country of ours. We were caught without a merchant marine in the last war and we built up a fine merchant marine and then we allowed it to deteriorate and go to pot. People give us credit for tremendous building ability. If we

had had a proper merchant marine in 1939 there might not have been the present war. If we had had a big fleet in 1938 or 1939, why I believe we could have shortened the war and saved thousands of lives, that is my judgment. We did not want to maintain it and we let it go to pot. For God's sake, let us not do it again, unless you want a war in the next 20 or 25 years for the next generation. It is so much cheaper to lay it up. I know because I spent a good many years in the Navy and I recall that when I'd go to New York, New Orleans, or Hampton Roads, people would say to me: "Let us not have these awful sights." However, even the remnants were mighty useful. Let us maintain our merchant marine. You are paying for it, and by the end of 1944 you will have paid about \$16,000,000,000 for merchant marine ships; and if you take care of that and preserve it for a very few million dollars per annum, you will not have to build it again and be the "arsenal for democracy" for ships for the whole world.

May I say, operate as many as you can legitimately and economically with whatever Congress determines is necessary, and in my judgment a shipbuilding subsidy will be necessary, unless you are going to lower the American standards of living. Operating subsidy is a subject for discussion. Most all of its wages, and in the present psychology of this war effort I have not seen anybody knocking wages down much, so I would say: Expand your foreign trade and utilize your fleet to the limit. I have some other ideas but I do not think there is any need to tell them now. It is a matter of congressional policy, or rather the national policy of this country or both.

We are going to present to Congress, and in fact it is under way now, certain aspects of this for your approval as to how to take care of this fleet and how to utilize it for our people. I would in that connection like to give you an example that on the ships you sell, that you should freeze the price of them so that one man would not buy a ship and have to pay \$220 a ton and another man get it and pay \$5 a ton. I think that freezing should be done by congressional action. I do not trust either myself or a commission, but I would trust the Congress to freeze prices on the ships because I know when you want to unfreeze them, if there is any justification for unfreezing them, you can and will do so. You froze the old reserve fleet. When it was unfrozen it took you just 3 weeks to do it. I would trust you more than I would trust a commission or any individual, so I would suggest that you freeze the prices of those ships and treat everybody equitably, and consider the American people first, and then follow whatever the international policy may be at the peace table, which I do not want to discuss.

I have some ideas of my own. I think you can solve this rather reasonably, and particularly if the war does not last too long. I will give you one other point and then keep still. In 1939 there were 74,000,000 tons, deadweight tons, of shipping in the world, made up of 57,000,000 dry cargo and 17,000,000 tanker. That was in 1939 before the war. On December 1, 1943, there was approximately the same amount of tonnage, building and losses neutralizing each other in 1943. If you will tell me how much longer the war lasts, I will tell you how much excess tonnage there will be.

Mr. RICHARDS. Thank you.

Chairman BLOOM. Mr. Mundt, have you any questions?



Mr. MUNDT. Admiral Land, how long will a reserve fleet lying idle in port continue in a usable condition?

Admiral LAND. I think with any kind of proper supervision that those ships can be maintained throughout the legislative life of the ships, and that is 20 years from the time they are built. It is not so frightfully expensive to keep ships tied up. It is an unhappy thing, but it is not so expensive as the billions of dollars we pour into the shipbuilding program in an emergency time; and you all know, despite the compliments of the Chairman and Mr. Johnson, that you are paying a pretty fancy price for ships built in an emergency. If you want ships, built in a desperate hurry, you are going to pay through the nose for them.

Mr. MUNDT. We will then have to speed up and have our war sooner than 25 years hence, if we are going to make any use of these ships that are tied up, if the ships will only last 20 years; because, at the end of that time, they will not have any value.

Admiral LAND. No; you will have an operating fleet. I merely take the statutory requirement when I say 20 years. If you put those ships in fresh water, suppose via the St. Lawrence Waterway, if you put them in the Great Lakes, you will have ships for 50 years, that is, in fresh water.

Mr. MUNDT. That is a good idea and is one justification for opening up that waterway. I will remember that.

Admiral LAND. I agree with you; I talk too much.

Mr. MUNDT. That is the difficulty that we have in the midwestern part of the country.

Under these cargo charter agreements which you mentioned several times in your statement, Admiral, is there a definite provision in those agreements for the return of these ships at a specified time to the United States registry?

Admiral LAND. We never let go of the title, and on that basis they are our ships, and these charter agreements depend on the country you are dealing with; they provide a certain time limit, but as far as we are concerned, our agreements are mostly for the duration or 6 months after the duration, but, irrespective of all that, titles are still in the United States.

Mr. MUNDT. Title is in our hands but possession is in the hands of somebody else, and the charter specifies the termination of that right of possession. Is that right?

Admiral LAND. Yes, sir.

Chairman BLOOM. Mr. McMurray, have you any questions?

Mr. McMURRAY. Mr. Chairman, I want to thank Admiral Land for his excellent statement and congratulate him for the excellent job he has done in this emergency, and indirectly congratulate the man who chose him for that job.

I should like to ask you, Admiral Land, from what you said in answer to Mr. Richards' question, can we then say categorically that the statement is not true that the British were taking advantage of us in the matter of handling cargo in ships, and that whereas most of the time we return in ballast, most of the British ships come in with cargoes? I have heard those rumors in different parts of the country that I have visited the past year, and I understand from you that we can answer such rumors with a categorical statement that it simply is not true and there is no such policy on the part of the British.

Admiral LAND. As far as I am concerned, yes; as to the accuracy of the rumors, I would answer that in the negative.

Mr. McMURRAY. That is my idea. After you testified last year we had testimony by a Member of this Congress which was rather significant to me at the time.

Admiral LAND. I think some of those conditions obtained. There have been other inefficient operations, most of which have been cleared up. We had a rather sour situation in India, but there were so many military reasons besides commercial reasons which kept that situation as it was, so that it is pretty hard to make a commitment and say somebody is getting the better of you. I am willing to take a chance on American ingenuity looking out for themselves. There are some nations which may be more efficient in maritime matters than we are, but, by and large, we are looking out for ourselves pretty well.

Mr. McMURRAY. My own impression from watching the operations has been that we are able to take care of ourselves. That is all, Mr. Chairman.

Chairman BLOOM. Mr. Mansfield, have you any questions?

Mr. MANSFIELD. I certainly appreciate the Admiral's salty testimony and I am prone to agree with him on this matter of building up a reserve or an auxiliary fleet. Wouldn't that be the same idea as our having a stock pile of copper or a stock pile of chrome or a stock pile of zinc, and building those stock piles up in times of peace so that in times of emergency we would have those particularly needed materials, without having to go through all the trouble that we had to find them during the course of our present war?

Admiral LAND. I think that is a fair analogy, but it does not go far enough. A Merchant Marine Reserve, like a Navy Reserve, is going to be a good deal like a prizefighter always in training; nobody wants to take him on. I think a merchant marine is the greatest asset and that is the only reason we have the Merchant Marine Act of 1936 passed by 8 votes in the House as an auxiliary of the Navy, and the Navy sometimes loses sight of it until they have to have it.

Mr. WADSWORTH. Admiral Land, referring just a moment to vessels chartered to Norway and Britain, if those vessels are lost it is our loss?

Admiral LAND. Yes.

Mr. WADSWORTH. That, of course, would be a loss we would have to suffer and they would lose their crews.

Admiral LAND. That is right.

Chairman BLOOM. Mr. Gerlach, have you any questions?

Mr. GERLACH. Admiral, isn't it a fact that before the war started we only handled 25 percent of our exports in our own bottoms?

Admiral LAND. That is approximately correct. It got up as high as 29 percent and dropped down to as low as ten percent.

Mr. GERLACH. That is right, and in 1914 we were only around ten percent. Isn't that correct?

Admiral LAND. Yes, sir.

Mr. GERLACH. And would it not be practical, instead of having a stock pile or tying up the ships, that we rather pay subsidies in delivering our exports, agricultural and industrial, in our own bottoms after this war is over?

Admiral LAND. Well, I am a thorough believer that we ought to carry somewhere in the neighborhood of 50 percent of our trade.

Just how we are going to do it, of course, depends on the Congress; but, nevertheless, that is the aim and ambition of those who are affiliated with me in the Maritime Commission. I would not like to answer your question with an affirmative without some string to it because I do not think you ought to carry more than half of your exports, because if you carried it all the proper analogy would be that if I were a Britisher I would carry all my exports and you would carry all your exports, and both of us would return home in ballast. However, if you have it on a 50-50 basis, why you would be carrying a pay load both ways.

Mr. GERLACH. You think we should carry at least 50 percent?

Admiral LAND. That would be the limit I would suggest. Now the Axis Powers carried much more than that. Italy carried 60 percent, Germany 70 percent and Japan carried 80 percent; as far as I am concerned, they ought not to carry anything across oceans in the future.

Mr. GERLACH. That is all.

Chairman BLOOM. Mr. Schiffler, have you any question?

Mr. SCHIFFLER. I have no question, Mr. Chairman, but I do want to thank Admiral Land because I think he has presented a very enlightening statement.

Chairman BLOOM. Are there any other questions?

Thank you very much. We appreciate your statement.

The committee will recess until tomorrow morning at 10:30 o'clock. Secretary of the Navy Knox will be here.

(Thereupon, at 1:15 p. m., the committee adjourned, to meet on Thursday, March 9, 1944, at 10:30 a. m.)



## EXTENSION OF LAND-LEASE ACT

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THURSDAY, MARCH 9, 1944

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, D. C.*

The committee met at 10:30 a. m., Hon. Sol Bloom (chairman) presiding.

Chairman BLOOM. The committee will kindly come to order.

The committee has under further consideration hearings on H. R. 4254, and we have the honor of having with us today Secretary Frank Knox.

### STATEMENT OF HON. FRANK KNOX, SECRETARY OF THE NAVY

Secretary KNOX. May I, on behalf of the entire Navy Department, extend to you our felicitations on your seventy-fourth birthday?

Chairman BLOOM. Thank you very much.

Secretary KNOX. Mr. Chairman, I have a statement here I should like to read, and when I have finished it, if there are any questions that you wish to ask me, I will do my best to answer them.

The best reason I can give for the extension of the Lend-Lease Act is that the war is still on. Indeed, despite the great progress that has been made on all fronts in the past year, it is only now that we are coming to grips with the enemy in areas vital to his defense. We are just now approaching the crisis. If it had not been for lend-lease we would not yet be approaching the decisive battles. Indeed what the posture of our affairs would be is at best an uneasy conjecture.

It is impossible in any real sense to consider lend-lease apart from our war strategy and our total war effort. It is an integral part of that strategy and that effort. Our war plans are dependent upon each of the United Nations being ready to play its full part in the great offensives to come. And if our fighting partners are to strike with maximum force, they, as well as we, must be equipped for the battle.

The Lend-Lease Act was and is an act to promote the defense of the United States. From the point of view of our allies, it provides essential aid in carrying on their part of the joint war effort. But, from our point of view—the United States' point of view—it represents a military instrument of the highest importance in our own self-interest. Every sector of the front and every sea lane and airway which is manned by our allies lessens the need for employing American manpower—and shedding American blood. And every battle won by our allies is a battle we will not have to win. The fight is their fight, and our fight. To arm our allies by lend-lease does not make us poorer but richer in fighting strength.

In the year which has passed since I last testified before this committee, the United Nations have made great progress. First—the great Soviet advances. In addition, Africa has been swept clear of the enemy; Sicily and the lower half of Italy occupied; and the Mediterranean cleared. In these offensives, the Navies of Britain, France, Greece, and other United Nations fought side by side with the United States Navy and Air Force. There was one instance in particular during the attack on Italy which illustrates the teamwork of the United Nations forces. In the course of the engagement, several French war vessels which were helping to support the attack by Allied forces commenced to run short of ammunition. Ammunition to fit the French guns was only available in the United States. The authorities in this country were advised of the ammunition shortage by radio. The ammunition was then transported by air from this country and used effectively by the French ships in the operations which were still progressing when the ammunition arrived. Another example of United Nations teamwork occurred during landing operations in the Mediterranean when many landing craft furnished to the British under lend-lease were used to transport and land United States troops and material on the beaches. These craft were pooled with ours and used as needed by the United States admiral in command in accordance with strategic needs.

It was teamwork which enabled the United Nations forces to carry forward to success the greatest amphibious operations ever conducted in any war. And I can promise without revealing any military secrets that these combined operations will seem small when offensives now being planned take place.

In the Atlantic, the combined action of United Nations forces virtually freed our vital supply lines from damage from mines and from submarine, surface raider and air attack.

Mine sweepers lend-leased to the British are constantly employed in clearing mines from waters around the United Kingdom and in the Mediterranean that are traversed by United States and other United Nations ships. These mine sweepers have also swept mines off the coast of the United States and the approaches to New York and Charleston Harbors.

On the sea lanes, the British Navy has been able to make particularly effective use of the destroyer escorts provided under lend-lease. These DE's as we call them in the Navy, escort United States troops and freight convoys in the North Atlantic. They form support groups engaged in countering enemy submarine measures and in many instances they have rescued survivors from torpedoed United States merchant ships. I remember in particular one occasion in which a British destroyer escort rescued 31 survivors of a torpedoed United States freighter. On another occasion, a DE lend-leased to the British rescued survivors from an American tanker. In addition, escort aircraft carriers provided to the British under lend-lease have also been helping to protect our convoys against submarines. One of these carriers engaged in a 3-day battle against a submarine wolf pack trailing a convoy containing United States ships. In that engagement, its planes drove off the submarines after sinking 2 and damaging 3. These carriers are also engaged in ferrying planes from the United States to combat areas, some as far distant as India and in

supporting landings of United States troops in north Africa, in Italy and Sicily.

As the strength of United Nations naval and air forces has increased, the danger to our supply lines has diminished. The establishment of supremacy of the sea lanes in the Atlantic is a necessary prerequisite to the great land invasions of Europe on which we shall embark.

It may be of particular interest to the committee—since the public is not generally aware of the facts—to know something of the cooperation we have received from the other American republics. This cooperation symbolizes the strength and unity of the United Nations. The largest forces among the other American republics are the Brazilian naval and air forces which are cooperating with the United States Navy very satisfactorily. These forces are actively engaged in convoying merchant ships and protecting the South Atlantic sea lanes against enemy submarines just as though they were a part of our own naval forces. Brazilian sailors on lend-lease patrol boats have also rescued survivors from American merchantmen torpedoed in the South Atlantic. Lend-lease aircraft flown by Brazilian pilots have sunk at least one submarine and damaged others. In other cases they have driven off attacks upon our shipping. Brazilian vessels are manned and maintained by Brazilian crews, trained in the United States.

Likewise Cuba, which has received a number of Coast Guard vessels under lend-lease, has been actively engaged in controlling and escorting convoys under the direction of the United States Navy. The crews on these vessels were trained in the United States and on board Coast Guard vessels operating in Cuban waters. Other American republics are making their contribution.

In the Pacific, as you know, we have made deep inroads into the chain of island outposts that constitute the first line of the Japanese defense. As in the Atlantic, where combined operations of United Nations naval forces have proven so effective, in the Southwest Pacific, Australian and New Zealand and Dutch forces are joined together with United States forces in action against the Japanese. These United Nations forces played a heroic part during the period when we were attempting to stem the Japanese advance toward Australia. As we progressed from holding operations to the offensive, they were active in support of our operations in the Solomons, in New Britain, and in New Guinea. More recently, a support force joined with the United States Navy in the attack upon the Gilbert Islands. This support was made possible in great measure by lend-lease maintenance supplies furnished through our Pacific command.

The United Nations, however, are still a long way from Berlin and Tokyo. Our final victory is still to be won. To achieve that victory, we must keep full the pipe line of supplies to our allies as well as to our own forces. Any weakening of their effort is a weakening of our own.

Just as the war efforts of our allies are inextricably interwoven with the United States war effort, so Navy lend-lease can scarcely be separated from the lend-lease aid provided by the Army and by the Foreign Economic Administration. Each is directed toward enabling our allies to fight effectively. Ships and aircraft, tanks and guns, food and medical supplies are all needed.



This committee is familiar with the procedure of the Navy Department under which the Munitions Assignment Board, acting pursuant to directives issued by the Combined Chiefs of Staff, allocates the guns and planes and other naval items to the forces of the country which can use them most effectively at any particular time. Total lend-lease aid provided by the Navy Department in the period from March 11, 1941, through December 31, 1943, amounted to \$3,018,527,595. This amount is, of course, included in the total figure of lend-lease aid of nearly 20 billion dollars provided to the committee by Foreign Economic Administrator Crowley. More than two-thirds of this amount has been provided in the past year. Thus, as our shipyards and our war industries have swung into full stride, the rate of Navy lend-lease aid has likewise increased.

By far the greatest amount—over \$1,000,000,000—represents the value of ships transferred by the Navy to our allies. As the committee knows, ships which have been transferred to other governments have been made available under a special lease arrangement which provides for their return following the cessation of hostilities. Most of the ships—nearly 1,400—so transferred have been made available to Great Britain, which, with its trained naval personnel, has been able to man all types of vessels including aircraft carriers, corvettes, and landing craft.

More than 4,000 naval aircraft, costing \$400,000,000, have been delivered to our allies. The famous Grumman fighter planes as well as long-range patrol bombers and other aircraft have been made available. These fighters have proven themselves unbeatable from British carriers on the North Atlantic Russian route and on the convoy routes to the United Kingdom and the Mediterranean as well as on United States carriers.

Navy lend-lease has supplied \$220,000,000 of naval munitions and other ordnance equipment and ordnance stores and provided over \$139,000,000 worth of repair services to ships of other United Nations. Over 384 major repair overhauls have been provided to British, Dutch, French, and other United Nations ships.

It may be of interest, for example, to note what has been done in repairing and reconditioning French ships to be used in our united war effort. United States naval repair facilities have sent back into the war one French battleship, four French cruisers, three French destroyers, three French submarines, and six French tankers. The carrier *Bearn* is currently undergoing conversion and repair.

Last year I described briefly something of the character of reverse lend-lease aid provided by our allies. That aid has continued and increased as our forces abroad have grown stronger. The United States Navy is continuing to receive the full use of all British and other Allied naval bases both in the Atlantic and Pacific theaters. Our ships in overseas theaters of operations receive at these bases, and in Allied shipyards and ports all over the world, a very large volume of supplies and services as reverse lend-lease aid, without any payment on our part. Mr. Crowley has already provided you with figures concerning expenditures by our allies for reverse lend-lease articles and services. Since such services and supplies are made available to the Navy in shipyards and ports all over the world, it is not possible to give you any complete figure on the amount of Navy reverse lend-lease. Complete information on reverse lend-lease aid obviously

cannot be obtained with the facility that figures can be obtained for supplies provided by the United States to other governments under direct lend-lease. Records, however, are being maintained and we are presently attempting to apply dollar valuations to this reverse lend-lease aid. Reverse lend-lease aid includes fuel and lubricants, aviation materials, ordnance supplies, ship stores, including food, and almost every type of article and service required by our Navy and Naval Air Force. In the South Pacific, fresh provisions from Australia and New Zealand have been a particularly important contribution. More and more materials have been received from our allies on or near the fighting fronts, saving millions of tons of invaluable shipping space in addition to large sums of money. Typical of the growth of our program is the United States naval base in Britain which operated for a full 12 months without making a single cash expenditure.

Throughout the course of the war there has been a free flow of information between the Navy Department and representatives of our allies. Naval attachés and other technical representatives have collected a great fund of information which has been utilized by the various technical bureaus. In turn the Navy Department has supplied a great deal of information to our allies covering all phases of the Navy's part in the war effort.

This interchange has been facilitated by executive agreement between the United States and the United Kingdom relating to the interchange of patent rights, information, inventions, designs, or processes. Under this agreement, such material is made available on mutual-aid principles. The United Kingdom bears the expense of obtaining the necessary information, designs, and patent rights from its own citizens, and the United States bears the expense of obtaining similar rights from its citizens.

Under this agreement and through the Navy Department, the British have made available to us many useful and important developments with appropriate licenses for manufacture and use. The information flows freely both ways, and upon request the necessary licenses to use the developments disclosed in the interchange are obtained.

The reverse lend-lease aid which we have received has been of vital importance to the operations of the United States Navy and its Air Force. It does not, of course, compare in dollar value with the amount of direct lend-lease aid which we have supplied. Lend-lease and reverse lend-lease, however, cannot be regarded from a balance-sheet point of view. The only true measure of the mutual war aid rendered among the United Nations is whether the supplies and services available have been put to the most effective use in defeating the enemy. We provide lend-lease aid and we receive reverse lend-lease aid because it will help to beat the enemy. The recipient nation receives a benefit from the interchange only in the sense that it is stronger and becomes a more effective fighting partner.

On several occasions I have been asked whether we have received reverse lend-lease aid from the Soviet Union and China. The answer, of course, is that reverse lend-lease aid has not been provided on any substantial scale, although United States ships which have put in at Soviet ports are supplied under reverse lend-lease with needed ship supplies. No Chinese ports, of course, are yet available.

Such inquiries miss the salient point. We in the United States are not worse off but better off as a result of not having received any substantial quantity of supplies under reverse lend-lease from Russia or

China. The furnishing of such supplies by the Soviet Union and China, while all their resources are needed to combat the great bulk of the enemy forces, would have weakened them and thus our common war effort. United Nations resources must be distributed in accordance with one standard only—where they will contribute most to the defeat of the common enemy. And, as I said before, we are strengthened, not weakened, by the direct lend-lease aid which we have provided to our allies.

It is natural, I suppose, that as the shadow of defeat has lifted and victory has become more certain, we should be looking ahead to some of our post-war problems, such as air and naval bases. I believe my views on this subject are well known. I should like to make it clear that I believe the question of air and naval bases goes far beyond any question of the lend-lease settlement. The question of national security is one which is dependent upon the security arrangements which will prevail in the post-war period. The Congress, as evidenced by the passage of the Fulbright and Connally resolutions, feels that our security program must rest upon cooperation with the other nations of the world. Thus, the question of air fields and naval bases cannot be considered on a bilateral basis as a lend-lease problem alone, although the solution of our problems of national security may well give rise to lend-lease benefits.

It is essential to our naval and military strategy that the Lend-Lease Act should be extended. Lend-lease is in truth a fluid and potent military arm of the United States. Our Navy, our Army, and lend-lease are all inseparably bound together in our country's strategy for fighting this war. We shall win final victory far sooner and at far lower cost because we have been able to bring America's productive power to bear with full effect upon our enemies through our allies as well as through our own forces. Tested now by more than 2 years of war, lend-lease has proven a flexible and powerful weapon for victory.

It is my hope that the effectiveness and scope of the Lend-Lease Act will not be cut down or restricted. I hope the lend-lease rules will not be changed in the midst of the war. We are now on the threshold of critical actions against the enemy both on the European front and in the Pacific. If our allies are to do their best for us as well as for themselves, they must have confidence that the pipe line of lend-lease supplies will be kept full. As their partners in the United Nations, we must make certain that they can throw their full power into the fight.

Our enemies know now that about the only remaining chance for victory is Allied disunity. We can be certain of victory if we continue to pull together.

MR. JOHNSON. Mr. Secretary, that is a most interesting statement, and I wonder if it would be a betrayal of a military secret to tell us why the ammunition of the French ships was here and not over there.

SECRETARY KNOX. That ship had been overhauled here. We manufactured the supplies which it carried, and the excess stocks were here. They were not available in the French ports.

MR. JOHNSON. May I ask a question? With reference to the destroyer escort, it is smaller somewhat than the destroyer, is it not?

SECRETARY KNOX. They are 1,150- to 1,400-ton destroyers. They are bigger than the destroyers of World War I.



Mr. JOHNSON. The reason they are so effective, more so than the destroyers, is because we have a larger number of them; is that the reason?

Secretary KNOX. That is right. They are not as effective as a regular destroyer. They are not as fast.

Mr. JOHNSON. But we can build them faster?

Secretary KNOX. And much more cheaply.

Mr. JOHNSON. But they are not as fast in speed as the regular destroyer?

Secretary KNOX. No, sir.

Mr. JOHNSON. But you can build them cheaper and faster, and we have such a larger number of them. That is the reason they have played such a conspicuous part.

Secretary KNOX. That is right.

Mr. JOHNSON. A United States naval base?

Secretary KNOX. A United States naval base.

Mr. JOHNSON. Is that of considerable size?

Secretary KNOX. Considerable size. It was built for the purpose of servicing the destroyers and other small craft engaged in anti-submarine warfare, shuttling back and forth.

Mr. JOHNSON. And we have operated that without any expense to ourselves?

Secretary KNOX. Not without expense to ourselves, but without any expenditure of cash over there. What supplies they have provided us with over there—a large amount—were on reverse lend-lease.

Mr. JOHNSON. That has amounted to considerable?

Secretary KNOX. Considerable.

Mr. GORDON. Is the repair yard included in that?

Secretary KNOX. Yes. The repair yard is a very effective repair yard, one of the best in Europe. I visited it, and it is a station of which we should all be very proud, including one of the best field hospitals that I have ever seen.

Mrs. ROGERS. You are doing a magnificent job.

Secretary KNOX. Thank you.

The CHAIRMAN. Thank you, Secretary Knox.

Mr. Secretary, remember we were talking a little bit about the oil situation a few moments ago, and I was thinking that perhaps you would like to give the committee a little more information about the oil situation about which we were talking.

Secretary KNOX. I shall be glad to do that, or, if you prefer, after the questions on this statement.

Mrs. ROGERS. I would like for you to give it now.

Secretary KNOX. I will be glad to do that.

Mrs. ROGERS. I am very much interested in that oil situation.

Secretary KNOX. Of course, oil supplies in an oil-burning Navy are vital, and I give this as my calculated and considered judgment that in looking to the future for our national security on the seas and in the air, there is no single factor of greater importance than the supply of necessary petroleum products to keep the fleet at sea and the planes in the air.

There is no question about that at all. The experts are completely united in their opinion on the rapid waning of our domestic supplies of oil. I know that some oil companies are now attempting to intimate

that we can continue to forget about oil, that we have always discovered oil in the past, and will discover it in the future, so we do not need to worry about it. But I do not think that that is a very sound or defensible position for us to take. I think the prudent course is to assume that the experts are right and to take such measures as may be necessary to conserve our domestic supplies and to insure ourselves a supply in the future in the event of another war.

With this thought in mind, we have looked about for possible sources outside our borders. The greatest known but undeveloped pool of the whole world is in the Middle East. It so happens that the largest known deposit of oil now in existence, upward of 20,000,000,000 barrels, is in Saudi Arabia, and that concession is owned only by American oil companies.

Mrs. ROGERS. Which company?

Secretary KNOX. The Standard Oil of California and the Texas Co. The Gulf Co. has a small interest. They are down in the midst of an oil region where all the concessions, other than this one great concession, are pretty largely British. Naturally, there is a rivalry, a proper and entirely understandable rivalry, between nations for the supply of oil.

These American concessionaires are anxious to provide for themselves an ability to defend themselves against the loss of their concessions by bringing to their companies some color of government support and participation.

The initial proposal—and I am speaking now, let me say, as one of the directors of Petroleum Reserves Corporation, the other directors being Mr. Cordell Hull, Mr. Henry Stimson, Mr. Leo Crowley, Mr. Harold Ickes, and myself—the initial proposal, and one that was discussed for some time, was the actual purchase of an interest in this concession by the Government so as to give it a Government character and thus preserve it against possible attack from without. These negotiations persisted for some time and then were discontinued. An agreement was not reached.

Later a proposal was made which has now been accepted for the construction of a pipe line from the Persian Gulf to the Mediterranean. This is under a suggested arrangement under which the American Government will provide the capital to build the pipe line with an arrangement whereby the pipe line itself will be paid for by the oil companies that use it, over a period of 25 years, with interest and a profit. And this is the most important consideration—the condition that the company set aside for exclusive use of the American Government 1,000,000,000 barrels of oil. That is to be sold to us whenever we desire it at 25 percent less than the ruling local market price at the time. What transpired is this: In order to procure for our future security a huge reserve of oil, the American Government is embarking for the time being in the transportation of oil, not the ownership of oil properties, but in the transportation of oil, and by an arrangement under which the cost of building that pipe line, which is estimated at from \$130,000,000 to \$165,000,000, will be repaid by the oil companies in the form of charges for the use of the pipe line. In addition, there will be set up this reserve of 1,000,000,000 barrels.

Now, let me say in response to some of the charges made rather recklessly, if you will consider that board consisting of Mr. Cordell Hull, Mr. Henry Stimson, Mr. Leo Crowley, Mr. Harold Ickes, and

myself, I think you will find in that personnel a pretty good assurance that this is not a socialistic-communistic plan to get into the oil business. We do not have the faintest desire to get into the oil business. We are opposed to it, but we do recognize a need to be realistic in this situation; and this offers to us what seems to be the best possibility of providing security against a future lack of oil in time of war and at the same time avoid all the pitfalls that we may fall into if we begin to invest our money in oil.

This is a transportation project, not an oil project, and a project which will be paid for out of the earnings of the companies themselves, as they use the pipe line, and that will give us indirectly a tremendous relief from the draft on American hemisphere oil supplies.

The bulk of all of Europe's oil supply is provided, almost exclusively during the war, by our resources over here including South America and the Caribbean fields. With a pipe line into the Mediterranean that will carry a large volume, a large part of Europe's necessities both in war and in times of subsequent peace, can be supplied from that source, and that will result in the avoidance of a drain on our oil resources on this side of the water.

That pretty well outlines the project that is now under consideration. It is essentially and fundamentally a measure of military security. We are very much under compulsion to parallel this particular project with steps to perfect ourselves in the art of converting coal and shale into oil reserves. We ought to have that program pretty well in hand as a measure of security for the future. But even though we do devise—and it has been done elsewhere—methods whereby shale can be transformed into oil and coal into oil, they will always be more expensive than petroleum in the ground. So that good sound business, as well as reasonable prudence for the future, dictate that we must look about us for sources of oil reserves outside of our own rationed limits.

May I also add that one of the things that it is incumbent upon Congress to do in this whole oil situation is to begin to canvass very carefully for the post-war period the question as to whether we should permit, when the war ends, and the war necessity ceases, a single barrel of oil to be exported from our own country. We ought to preserve what we have for our own use and our own security for the future, and get what we can of our supplies in the post-war period from abroad.

Oil in the ground is the greatest possible security we can have for the operation of our post-war Navy and our post-war air force.

The importance of the air, and the widespread use of the airplane, have now produced a situation where the Army is under as great necessity for oil supplies as is the Navy. In fact, each of us is using about the same amount now of crude oil in various refined forms, so that the Army has now become as great a user of oil in its operations as the Navy, which up to now has been chiefly concerned with oil and the question of oil reserves because of its need for fuel oil.

Now we need not only fuel oil for our ships, but we need petroleum products for the operation of our Navy's air force. There you have the unadorned, unvarnished statement of the actual situation with respect to oil. It is not any attempt to embark on any new departure in Government ownership of oil resources. We are not going into the oil business. We are not going to sell oil in the domestic market. We



are expressly forbidden by our charter to participate in any kind of oil activity in the United States. It is simply an effort to provide an organization which can acquire oil resources for the safety and security of the United States outside of the continental borders of the United States.

The CHAIRMAN. Thank you, Mr. Secretary.

Do you have any questions, Mrs. Rogers?

Mrs. ROGERS. Mr. Secretary, did you say that the Standard Oil of New Jersey and two other companies have oil concessions?

Secretary KNOX. Yes; but I assume you mean Standard Oil of California.

Mrs. ROGERS. I think the Standard Oil of New Jersey has concessions either in Iran or Iraq. Do you know just where they are?

Secretary KNOX. No, I do not.

Mrs. ROGERS. Have you ever considered that? Have you ever looked into that?

Secretary KNOX. Others have.

Mrs. ROGERS. I do not have a map before me and I cannot ask you the exact question that I want to.

Secretary KNOX. The two greatest pools outside the United States are in the Middle East and South America—Venezuela.

Mrs. ROGERS. It would be a shorter distance to the sea, and I wonder if that has ever been considered.

Secretary KNOX. I can describe the circumstances under which we came to consider the Saudi Arabia field right now, because it is a critical situation.

Mrs. ROGERS. Will you have that looked into?

Secretary KNOX. We are going to look into the oil resources all over the world.

Mrs. ROGERS. I would be very grateful if you would.

Secretary KNOX. Wherever they are available without going into the oil business ourselves, by trying to develop a situation which will insure us a supply in case of necessity.

Mrs. ROGERS. You spoke of the very fine record of submarine sinkings. I wonder if that would release more ships for you to bring some of our servicemen back from the South Pacific.

Secretary KNOX. I have been hopeful of that.

Mrs. ROGERS. I know that you are interested in that.

Secretary KNOX. We have increased the number of tankers very materially and we are gradually getting to the point where we can assign more of them to civilian use. I would like to make this war end as quickly as possible. The enemy have a large number of submarines still, a very large number, and it is just inconceivable that they will not use them. So I have been expecting almost any day a fresh foray of some kind, submarines equipped with some new weapon so that we may have a fresh submarine problem on our hands at any time. We cannot rest altogether on various protective measures that we have taken, for one instant. We are scouring the seas and guarding against possible attack just as we have before.

Mrs. ROGERS. You have answered my questions on the air bases and air fields.

Secretary KNOX. Yes.

Mrs. ROGERS. Thank you very much.

Secretary KNOX. Mr. Stevenson reminds me of something which is to the point, that as we extend our front in the Pacific and it becomes more remote from our home bases, more tankers are going to be required to carry oil supplies out there until—and this is the time that I am praying for—we capture some of the Dutch Indies where there is oil. That will be a great help to us. When that will be, I do not know.

Mrs. ROGERS. You will have to have soldiers to protect the oil fields.

Secretary KNOX. Oh, yes.

Mr. JOHNSON. Mr. Secretary, your statement favoring the continuance of lend-lease as usual is logical, convincing, and I think unanswerable. I recall you were an original advocate of the lend-lease policy and I recall very well the very frank statement that you made in defense of that policy before our committee before we got into the war.

Secretary KNOX. Thank you.

Mr. JOHNSON. Your experience at the head of the Navy has vindicated your position as being sound, and it must give you cause for gratification that you advocated it so unreservedly.

Secretary KNOX. I think that it has fully justified itself, because it is, as I said then, merely a means of arming other people to fight our fight with us. That is what it is boiled down to in its essence, and whenever we can get a gun into a Russian's hands, or a machine gun into Chinese hands, and they begin to kill Japanese and Germans, that is a direct help to us.

Mr. JOHNSON. It has worked and worked successfully.

Secretary KNOX. Oh, yes.

Mr. JOHNSON. You used an expression in one portion of your statement when you spoke of the accelerated use of lend-lease because the Navy had swung into full stride. The Navy has done just that, has it not?

Secretary KNOX. Of course, most of the Navy lend-lease supplies have been ships, and the construction of ships takes time. While we made these assignments in advance for ships, it took time to get to the point where we could actually deliver them. That is why the increase has been so great this last year. Many ships have been finished and delivered.

Mr. JOHNSON. I had reference not only to lend-lease activities being increased by reason of the Navy being in full stride, but I had reference also to a cause for which we are all very much gratified, the magnificent way in which the Navy has been acquitting itself within recent weeks in the Pacific. That is due to the fact that the Navy is now reaching that strength that you have been planning and working for for so long, is it not, Mr. Secretary?

Secretary KNOX. Entirely, plus a thing that I am always glad to have an opportunity to speak of—the adaptability of American youth and their magnificent fighting edge. I was one of those who worried before we got into the war as to whether or not soft living had dulled our fighting edge. I would like to say here with all the emphasis I can that I think this generation of American fighters is the best we have ever produced. I do not think the record can be equaled in any previous wartime that we have gone through.

Mr. JOHNSON. Hitler had predicted that the American youth was soft and could not fight.

Secretary KNOX. I was worried, among others, as to whether he was right about that. He was wrong.

Mr. JOHNSON. Has the Navy had any difficulty in securing trained forces to operate this increased craft that we have in the Navy, Mr. Secretary?

Secretary KNOX. Thanks to the background of most American boys, most of whom can drive a car and know something about mechanics and the like, we have had the most amazing experience. These battles that we are all so happy over were fought by men who never had smelled salt water 2 years ago.

When I was in Bizerte over in the Mediterranean during the initiation of the landing at Salerno, I saw a boy—they took me down and introduced me to him—whose ship had been hit by a German shell on the last trip to the beach. It killed 5 or 6 men and wounded about 20 more, and he was under air attack at the time as well as attack from shore batteries. He was trying to maneuver his ship and keep it out from under the bombs that were coming down from overhead, and in the midst of that preoccupation, which must have been intense, a wounded man came up to him with his arm hanging, the lower part shot completely off and just hanging by some flesh.

The man said, "Captain, can you help me?" This boy took out of his pocket a jackknife and cut off the flesh from that hanging arm; put a tourniquet on it and saved that boy's life. Then he went back to navigating his ship. That chap was so utterly ignorant of the ways of ships and the sea when he reported to the Philadelphia Navy Yard with his crew to take command of his ship he was so excited that when he got aboard with his crew he got up on the bridge and signaled the bell for full speed ahead without taking his lines off.

Just to show you how swiftly he perfected himself, and it is a job handling a 300-foot ship, he was then hauling loads of men and material from Bizerte to Salerno with the latter part of his journey under fire, landing his material and men on enemy territory, on a beach, and in order to get out of the harbor in which he loaded that stuff, he had to navigate through the channel leading into the yard at Bizerte which we were using for a base, a channel in which we had first sunk a lot of ships by air attack, and then the Germans had sunk a lot of ships in order to close up the channel. After we had taken possession of it, the Germans came back and bombed it from the air some more, so that channel was just a mess of sunken ships, and this kid took this 300-foot ship like a seasoned pilot right straight through this channel every trip that he made. It is just magnificent the way these young fellows have adjusted themselves to a line they knew nothing whatever of. They have achieved a seamanship that is almost unbelievable, and have won the respect of the Regular Navy 100 percent-plus.

The men who come back, like Admirals Nimitz and Halsey, cannot say enough about the young Reserve officers on whom they must depend for the handling of their task forces.

Mr. JOHNSON. We now have, do we not, the largest Navy in the world?

Secretary KNOX. Yes.

Mr. JOHNSON. Has any country ever had as large a navy as the United States has at the present time?



Secretary KNOX. It is now nearly three times what it was when the war began. If you take into consideration the tonnage of the smaller craft, it would be still greater.

Mr. WADSWORTH. You said something about the vital importance of an oil reserve. I assume that you would not at the present, or perhaps in the future, be enthusiastic about an immediate naval disarmament following this war.

Secretary KNOX. I know that you and I will not be. We were not before. No. I think you touched on one of the greatest dangers, one that I conceive to be one of my greatest responsibilities, to help build up a public opinion that will recognize the vital importance to the future safety of the country of maintaining an adequate force at sea, an adequate air force, and an adequate army.

Mr. JOHNSON. We now realize that we made a mistake when we reduced our Navy and scrapped our Navy.

Secretary KNOX. I should say that the present Japanese War is the fruit of that mistake.

The CHAIRMAN. Mr. Eaton.

Mr. EATON. I dislike to interrupt this remarkable story that we have been listening to. I wish the Secretary would continue to tell us about the Navy. It is more thrilling than anything I have heard for many a day, and more encouraging.

I would like to ask one or two questions. This new pipe line across the Arabian Peninsula will be owned by the United States Government?

Secretary KNOX. Yes.

Mr. EATON. What provision will be made for its protection?

Secretary KNOX. It will be protected in complete cooperation with the nations there.

Mr. EATON. Will it be protected in times of peace?

Secretary KNOX. In times of peace?

Mr. EATON. Yes.

Secretary KNOX. It is protected now by the United Nations forces.

Mr. EATON. In that section of the world there is not any term of perpetual peace, and this particular pipe line might become the object of antagonism. Then the question would be, Are we prepared, not only to build a pipe line, but to take care of it against all?

Secretary KNOX. I suppose that will probably come up for discussion at the time of the treaty. At the present time the answer is, "Yes," unqualifiedly.

Mr. EATON. Is it built under the terms of a treaty?

Secretary KNOX. It will be built under terms that will provide for its protection.

Mr. EATON. Has your petroleum organization given any study to the possibility of northern Canada as an oil-producing section?

Secretary KNOX. We are now engaged in preliminary studies for the exploration of Alaska. Some of you may be aware of the fact that we are asking for an appropriation for exploration in Alaska to develop some wells up there to test the possibility of oil pools.

I am advised by Secretary Ickes that there were more wildcat wells put down this past year than in any other year in our history, but less oil discovered. We are getting near the end of our oil resources rapidly. In other words, we have studied the geological structure of

the entire continent, and our entire country to a far greater degree than any other country.

Mr. EATON. Is it your view, then, that the exaggerated stories that we frequently hear as to the enormous oil deposits in the Alaskan section and the northern section of Canada have no foundation?

Secretary KNOX. They have not been proved up yet. The structure up there indicates oil, but it has not been adequately tested.

Mr. EATON. I want to thank you for bringing out one point I think underlies this whole lend-lease proposal, and the reason why it should be extended and supported. Russia and China have, probably, and are now, probably, making the largest return in lend-lease of any of our allies by the fighting that they have done.

Secretary KNOX. I am glad that you emphasized that.

Mr. EATON. Every bit of that has saved American lives and American money. That is a form of lend-lease that we do not hear much about.

Secretary KNOX. It is the most vital of all.

Mr. EATON. I thank you for bringing that out so clearly in your report. I would not expect you to do anything else than to bring out things clearly in any report that you make.

Secretary KNOX. There is one thing that I have not brought out that might be properly brought out here. Before we can subdue Japan to a point of unconditional surrender, we will have to have bases to operated from so that we can bomb and attack her from the air.

Mr. JOHNSON. Land bases?

Secretary KNOX. Land bases. That means inevitably before the war is over land operations on the China coast. It would be very foolish for us to depend upon our own manpower exclusively for that, so that there will come a time when we will have literally millions of Chinese soldiers who are willing and eager to fight, who will need equipment so that what we are now saying with respect to lend-lease and Russia we shall say with respect to lend-lease in China. Every man who carries a gun will save an American from carrying that gun and subjecting himself to enemy fire.

Mr. EATON. It would be the acme of shortsightedness not to provide them with every possible thing.

Secretary KNOX. That is right, because every Chinese will take the place of an American.

The CHAIRMAN. Mr. Kee.

Mr. KEE. Mr. Secretary, speaking with reference to the exhaustion of our oil resources, we all know that oil is essential for the operation of airplanes, but it is not essential for the operation of ships; yet, as I understand it, since the beginning of the war, we have not constructed a single coal-burning vessel. Is that correct?

Secretary KNOX. That is right.

Mr. KEE. All of them have been oil burners. Well, would it not be possible, in view of the shortage of our oil supply, to conserve oil by constructing at least a certain percentage of the vessels as coal-burning vessels for use in the transportation of goods and materials rather than to construct them as oil-burning ships?

Secretary KNOX. There is a very great difference in the efficiency. An oil-fired ship is far more efficient and requires a smaller crew. They are all built for burning oil. We do not have any coal-burning ships.

Mr. KEE. Would it not be a rather far-sighted policy, however, in view of the fact that we are obliged, or will be obliged to convert our vessels, a portion of them, to commercial use after the war is over, to construct some of them coal-burning vessels and conserve our oil supply?

Secretary KNOX. I am not an expert on propulsion machinery aboard ship, but I would say the answer to that is that it is impracticable. It would be better to make the fuel from the coal and burn that as oil rather than to burn it as coal. I think the great future of coal in this country will be to supplement our oil resources. Coal will be available for the production of oil for fuel in huge amounts.

Mr. KEE. When our oil resources are exhausted certainly we would have no oil then for the operation of airplanes. What I am getting at is that we should conserve the oil for a use that is absolutely necessary in the operation of airplanes. We know that it is not absolutely necessary for the operation of a vessel.

Secretary KNOX. It is, if you are going to get the most efficient propulsion machinery.

Mr. KEE. We will not have any if we exhaust the oil for airplanes, none whatever.

Secretary KNOX. I do not feel equipped to carry on this discussion with any great intelligence because I do not know enough about the science of combustion, engine manufacture, and design.

Mr. KEE. I speak of it because it has been my understanding that one of the practical reasons they assign for the construction of all these vessels as oil-burning vessels is the difficulty of procuring firemen.

Secretary KNOX. That is one of them.

Mr. KEE. That is one of the chief difficulties as far as the efficiency is concerned. Coal will propel a ship, as I understand it, just as well as oil, but it is rather impracticable to supply a crew.

Secretary KNOX. I would like to ask my aide, who is an old engineering officer of the Navy, as well as a line officer, whether the conversion of coal into oil and then burning the oil in the ship would be practicable.

Captain PERRY. Yes. And ships can be converted either way, either coal to oil or oil to coal. It would be a very expensive job, however.

Mr. KEE. I think that is really the answer to the problem more than anything else. Thank you very much.

The CHAIRMAN. Mr. Chipfield.

Mr. CHIPERFIELD. Mr. Secretary, I want to thank you for your very interesting and excellent statement. I, too, am very much interested in this oil situation. I am wondering if any estimate has been made as to when oil will be available from this Saudi Arabia field.

Secretary KNOX. When will the pipe line be completed?

Mr. CHIPERFIELD. Yes.

Secretary KNOX. I think the estimates are about 2 years, or a year and a half.

Mr. CHIPERFIELD. I also am interested in the studies that are being made to make fuel oil out of shale and coal.

Secretary KNOX. Yes.

Mr. CHIPERFIELD. I am wondering whether that study should not also include new uses for alcohol as a fuel.



Secretary KNOX. That would be very wise. Anything in the line of the development of motor fuel would be very wise. We are going to be running on internal-combustion engines just as sure as anything.

The CHAIRMAN. Mr. Richards.

Mr. RICHARDS. Mr. Secretary, as set forth in your statement to the committee, I agree with that. Your views on the needs for additional air bases, naval bases, after this war in the Pacific and elsewhere, are generally known.

I want to say that I agree with those views.

Now, I judge from your statement, Mr. Secretary, that you think it would be unfortunate and unwise to bring that subject up now in connection with lend-lease itself.

Secretary KNOX. I do.

Mr. RICHARDS. As return benefits.

Secretary KNOX. I do.

Mr. RICHARDS. You think the subject of air bases and naval bases that may be needed for our own defense and to help insure peace for the world should be brought up after the war is over? Do you think that it should be brought up in connection with reverse lend-lease? Do you not think we should get some of those benefits in the final settlement as reverse lend-lease?

Secretary KNOX. I think all those things will be waived. You understand that under the basic terms of lend-lease all commodities and supplies and whatever we have provided will become ours if we choose to take them, and that is certainly a good lever for further negotiations over any question in which we have to deal.

Mr. RICHARDS. We will never know where you stand until it is over anyway.

Secretary KNOX. That is right. We went into the Gilberts. It was vital, in a military sense, that we take the Gilberts. They were the outer bastions of the Japanese line. You know whom the Gilberts belong to—the British. Had we stopped to negotiate with the British about whether we were going to stay there permanently or temporarily before the battle began, you and I and anyone else would know that would have been foolish. This is war, and we have got to take these islands. Britain is our ally. We are going to take them regardless of what becomes of them later.

Mr. RICHARDS. I agree with you there. This is a question that is going to be threshed out on the floor of the House.

You are familiar with the unilateral agreement entered into by New Zealand and Australia concerning their rights in the Pacific?

Secretary KNOX. What they proposed as an agreement. I do not believe they have adopted it yet.

Mr. RICHARDS. I understand that they have.

Secretary KNOX. I do not know.

Mr. RICHARDS. The newspapers say. Do you not think that was unfortunate at this particular time?

Secretary KNOX. Yes.

Mr. RICHARDS. We are willing to wait to settle this thing, and they should be willing.

Secretary KNOX. They will be willing.

Mr. RICHARDS. And all nations concerned should be called into any conference on the subject, and it should not be a one-sided proposition.

Secretary KNOX. Certainly not.

Mr. RICHARDS. I want to ask you about the United States guns and planes, and so forth. How do they stack up with those of the rest of the world?

Secretary KNOX. The best in the world. There is no question but some of our latest models of planes, with the one exception of the Spitfire, which is a superb plane, are the best that there are.

Mr. RICHARDS. That applies to Germany, too?

Secretary KNOX. Oh, yes.

Mr. RICHARDS. That is all.

The CHAIRMAN. Mr. Stearns.

Mr. STEARNS. Mr. Secretary, I just want to thank you for your fighting statement and for your fighting leadership of our Navy. You have always been a fighter in anything you have undertaken. In view of the justification that lend-lease has had in action, the thing for the Congress to do is to back up its fighting men.

Secretary KNOX. Thank you.

The CHAIRMAN. Mr. Gordon.

Mr. GORDON. Mr. Secretary, I am also very grateful for your appearance before us, and I certainly appreciate your convincing statement. I have no questions.

Secretary KNOX. I would like to say in response to that that I always like to come up here. I enjoy these sessions very much, as much as anything I do.

Mr. CHIPERFIELD. Will the gentleman yield?

You were kind enough to come up to see us about a year ago in executive session and talk to us about the South Pacific area. I hope sometime you will have time to bring us up to date.

Secretary KNOX. Any time you ask me.

Mr. CHIPERFIELD. That was after he made the trip over there.

The CHAIRMAN. Mrs. Bolton.

Mrs. BOLTON. There is one thing I would like to ask with respect to the pipe line, Mr. Secretary.

Since the Mediterranean is more or less ours, do we have a naval base over there for the protection of this pipe line?

Secretary KNOX. Are you talking about while the war is on?

Mrs. BOLTON. Oh, yes.

Secretary KNOX. It is an Allied theater, and we are participating in it.

Mrs. BOLTON. Do we have what we might call a naval base there?

Secretary KNOX. A half dozen of them.

Mrs. BOLTON. I am glad of that.

Secretary KNOX. There is a base at Casablanca, one at Oran, one at Algiers, and a very good one at Bizerte. We have another one at Palermo.

Mrs. BOLTON. I was thinking about the eastern part that would relate to the end of the pipe line.

Secretary KNOX. We have no base at that end of the Mediterranean. We have not been operating in that area yet.

In addition to what I have already said, there is now about to be assembled, as you know, a conference between the British and ourselves on the whole question of oil. There is a commission representing us headed by Cordell Hull.

Mrs. BOLTON. We are all in agreement that the oil situation is a very important one for the future.

Secretary KNOX. The most vital thing in the whole picture of security for America.

The CHAIRMAN. Mr. McMurray.

Mr. McMURRAY. Mr. Secretary, I was very much interested in your statement about the post-war—we will put it that way—defense policy of the United States and, of course, I have no quarrel with your statement that we naturally expect to have an adequate Navy and an adequate Air Force and an adequate Army. I always like to raise the question—adequate for what? Well, of course, adequate for the defense of our interests in the United States. But I should like to make just a comment that in this creation of public opinion which is necessary I agree with you, and hope very much that the debate is carried on on a high enough level and that those who fight for this will understand something I think will be agreed to by every expert who studies it, and that is this: That no single nation-state, as the world is politically organized today, can have by itself adequate military forces to protect itself, and that the problem of defense or the problem of security is, as you have so often pointed out yourself, a problem of cooperation.

Secretary KNOX. Yes.

Mr. McMURRAY. In an arrangement with other people, other organized nation-states, there can be security, but by ourselves—and this is true of the United States of America, Great Britain, Russia, and China and other organized states—there is no such thing as militarily adequate defense possible, taking the nation-state alone.

Secretary KNOX. That, of course, is true. I want to express this hope in that connection, that never again will we put our reliance in paper promises. We have got to be realistic this time and know that the only thing that halts a man like Hitler or a nation like Japan is the fear of physical might. That has got to be present. You cannot extemporize a navy or an air force.

Mr. McMURRAY. That is correct.

Secretary KNOX. They must be present in order to have any assurance that even with cooperation we shall be safe. I hope that we have learned that lesson.

Mr. McMURRAY. You cannot have peace without organized and centralized might. That is the history of the world.

Secretary KNOX. That is right.

Mr. McMURRAY. The point I want to make is, the nation-states as presently constituted cannot have it acting alone.

Secretary KNOX. May I interrupt there to express another thought which is my own. I am not talking officially. This is just Frank Knox's idea. It is that when we set up a system of cooperation for the security of the world, we shall carefully consider making that into areas in which specific nations shall be responsible.

Let me illustrate that by saying that, as you know, under the present set-up, the American Navy is responsible for the strategy and the active conduct of the war in the western Atlantic and in the entire Pacific. The British fleet is responsible for the eastern Atlantic, for the Mediterranean, and for the Indian Ocean. By that division we insure unity of command in each of those areas.



If a British squadron comes over to join us in the Pacific, she passes under American command. If the American Fleet, as is presently the case, goes into the eastern Atlantic, she goes under British command. In that way we avoid divided command and divided councils.

It will be just as important after the war to have unity of command as it is now. And if you set up a region in which the American Fleet and the American Air Force and military forces are responsible for the peace of that area, you then have an agent that does not have to have a council to determine what it shall do. One reason that the League of Nations fell down is that every step they had to take to prevent aggression had to be taken first before a large body of nations; and some of them always had some selfish interest to serve that tied their hands. You remember how hard we tried to stop Italian aggression in Africa, but some of our friends over in Europe paralyzed the effort and nothing came of it. This time I hope that responsibility for adequate control can be realistically divided.

Mr. McMURRAY. You have to have political authority also that is adequate and competent to make decisions and to act.

Secretary KNOX. That is right.

Mr. McMURRAY. I have one more question, Mr. Secretary, but I am afraid the chairman will rule it out of order, so I shall just pass it.

The CHAIRMAN. Well, I will rule now. [Laughter.]

Mr. McMURRAY. It is a very pertinent question, Mr. Chairman, but I know you will rule it out of order. So I shall pass it; and thank you.

The CHAIRMAN. Do you want the record to show that I have ruled it out of order?

Mr. McMURRAY. Do you want me to ask it, so you can rule it out of order?

The CHAIRMAN. No.

Mr. McMURRAY. I shall be very happy to.

The CHAIRMAN. Mr. Schiffler—

Mr. SCHIFFLER. Mr. Secretary, first I want to thank you for your very enlightening statement and then say, if my conclusion with respect to the oil situation is correct, it is this. As I understand it, the original concession was given to the three companies that you have named, who, in turn, have formed what is known as Arabian-American Oil.

Secretary KNOX. That is right.

Mr. SCHIFFLER. And they are the present holders of that concession?

Secretary KNOX. That is right.

Mr. SCHIFFLER. The Petroleum Reserve Corporation is entering into a contract whereby they are to construct the pipe line at a cost of approximately \$150,000,000 to \$160,000,000. In your statement I think you said that they have made an arrangement to get the oil to us at 25 percent less than the prevailing price; is not that correct?

Secretary KNOX. For the 1,000,000,000 barrels of oil—that is to say, our reserve—whenever we want it, at 25 percent less than the market price at that point at that time.

Mr. SCHIFFLER. Then, when there has been a conclusion of the arrangement between the Petroleum Reserve Corporation and the Arabian-American Oil, that will all be subject to some treaty arrangement with respect to the construction of the pipe line as well as its future maintenance and protection, and any other things that the

proper negotiating agency of this Government deems necessary; and that agency I think will be the State Department?

Secretary KNOX. That is right.

Mr. SCHIFFLER. How about the rentals upon the transportation of the oil? Have those details been agreed upon?

Secretary KNOX. You mean the rates for transportation?

Mr. SCHIFFLER. That is correct. As I understand, the ownership is in the United States Government.

Secretary KNOX. That is right. We will fix the price for the transportation.

Mr. SCHIFFLER. And at the expiration of the 25-year period, in addition to having the option, those rentals will represent complete reimbursement for all the investment that the Government has made, and the Government will yet be the continuing owner of that line?

Secretary KNOX. That is right; plus interest, and plus a profit.

Mr. SCHIFFLER. I understand that we do not lose title to it at any time.

Secretary KNOX. May I add this? I should like to modify that last statement by saying that it will be either a treaty or an executive agreement between the two countries.

Mr. SCHIFFLER. That, of course, will be between the three interested parties?

Secretary KNOX. Yes.

Mr. SCHIFFLER. Our Government and the oil company?

Secretary KNOX. I expect that the pipe line will be used by other oil activities as well as the American-Arabian, because there is a lot of oil in the Persian Gulf. It will be a common carrier.

Mr. SCHIFFLER. So we will recover our investment within 25 years and still retain title to the line beyond that period?

Secretary KNOX. That is right; the oil line belongs to us.

Mr. SCHIFFLER. I think that is all; thank you.

Mr. ROGERS. Mr. Secretary, I, too, want to thank you for your brilliant exposition on the American fighting man, and especially the part played by American youth.

I have here a copy of the agreement between Australia and New Zealand that was mentioned, and I have been reading it. I believe it was your agency, the Chicago Daily News—if the chairman will not rule this out of order—that first broke the story.

I do not believe that in this agreement between Australia and New Zealand the two countries are asking for a sphere of undue influence. As I interpret this agreement—and I have read it pretty carefully—all they are asking is a chance to participate in any post-war settlement of the Pacific, which I think is their right. They are asking to participate in a proposed international organization. I don't think it is a demand for certain rights. I think it is a rather sensible agreement.

Secretary KNOX. May I suggest that possibly it is addressed more to someone else than it is to the United States?

Mr. ROGERS. That is possible, too.

One other question. If the United States Government thinks it is so important to have oil reserves in other parts of the world that it goes to the trouble and expense to build a pipe line in Arabia, would it not be worth while to look into the possibility of doing something in Java and Sumatra and perhaps the Philippine Islands?

Secretary KNOX. Part of our proposal is that we shall study the oil resources of the world and try to provide ourselves with adequate reserves wherever they may be and where they can be secured under proper circumstances.

Mr. ROGERS. If it is worth doing it in Arabia, I should think it is worth doing it in these other places I have mentioned.

Secretary KNOX. This is only the start, because we have a world-wide problem here and a long future to provide for.

Mr. ROGERS. That is all.

Mr. RICHARDS. Mr. Chairman, I think if the gentleman will read that statement concerning Australia and New Zealand more carefully he will find that it has asserted certain rights, has not asked for certain rights, not only in the Australian and New Zealand sphere, but in the whole Pacific. Would you not like to put that statement in the record?

Mr. ROGERS. I think it should go in.

The CHAIRMAN. Without objection, the statement will be inserted in the record at this point. The agreement between Australia and New Zealand follows:

#### AGREEMENT BETWEEN AUSTRALIA AND NEW ZEALAND

His Majesty's Government in the Commonwealth of Australia and His Majesty's Government in the Dominion of New Zealand (hereinafter referred to as the two Governments) having met in conference at Canberra from the 17th to the 21st January 1944 and desiring to maintain and strengthen the close and cordial relations between the two Governments do hereby enter into this Agreement.

#### DEFINITION OF OBJECTIVES OF AUSTRALIAN-NEW ZEALAND CO-OPERATION

1. The two Governments agree that as a preliminary provision shall be made for fuller exchange of information as regards both the views of each Government and the facts in the possession of either bearing on matters of common interest.

2. The two Governments give mutual assurances that on matters which appear to be of common concern each Government will so far as possible be made acquainted with the mind of the other before views are expressed elsewhere by either.

3. In furtherance of the above provisions with respect to exchange of views and information the two Governments agree that there shall be the maximum degree of unity in the presentation elsewhere of the views of the two countries.

4. The two Governments agree to adopt an expeditious and continuous means of consultation by which each party will obtain directly the opinions of the other.

5. The two Governments agree to act together in matters of common concern in the South West and South Pacific areas.

6. So far as compatible with the existence of separate military commands the two Governments agree to co-ordinate their efforts for the purpose of prosecuting the war to a successful conclusion.

#### ARMISTICE AND SUBSEQUENT ARRANGEMENTS

7. The two Governments declare that they have vital interests in all preparations for any armistice ending the present hostilities or any part thereof and also in arrangements subsequent to any such armistice and agree that their interests should be protected by representation at the highest level on all armistice planning and executive bodies.

8. The two Governments are in agreement that the final peace settlement should be made in respect of all our enemies after hostilities with all of them are concluded.

9. Subject to the last two preceding clauses the two Governments will seek agreement with each other on the terms of any armistice to be concluded.

10. The two Governments declare that they should actively participate in any armistice commission to be set up.

11. His Majesty's Government in the Commonwealth of Australia shall set up in Australia and His Majesty's Government in the Dominion of New Zealand



shall set up in New Zealand armistice and post hostilities planning committees and shall arrange for the work of these committees to be coordinated in order to give effect to the views of the respective Governments.

12. The two Governments will collaborate generally with regard to the location of machinery set up under international organisation such as the United Nations Relief and Rehabilitation Administration and in particular with regard to the location of the Far Eastern Committee of that Administration.

#### SECURITY AND DEFENSE

13. The two Governments agree that within the framework of a general system of world security a regional zone of defense comprising the South West and South Pacific areas shall be established and that this zone should be based on Australia and New Zealand, stretching through the arc of islands North and North East of Australia to Western Samoa and the Cook Islands.

14. The two Governments regard it as a matter of cardinal importance that they should both be associated not only in the membership but also in the planning and establishment of the general international organisation referred to in the Moscow Declaration of October 1943 which organisation is based on the principle of the sovereign equality of all peace-loving states and open to membership by all such states large or small for the maintenance of international peace and security.

15. Pending the reestablishment of law and order and the inauguration of a system of general security the two Governments hereby declare their vital interest in the action on behalf of the community of nations contemplated in Article V of the Moscow Declaration of October 1943. For that purpose it is agreed that it would be proper for Australia and New Zealand to assume full responsibility for policing or sharing in policing such areas in the South West and South Pacific as may from time to time be agreed upon.

16. The two Governments accept as a recognised principle of international practice that the construction and use in time of war by any power of naval, military or air installations in any territory under the sovereignty or control of another power does not in itself afford any basis for territorial claims or right of sovereignty or control after the conclusion of hostilities.

#### CIVIL AVIATION

17. The two Governments agree that the regulation of all air transport services should be subject to the terms of a convention which will supersede the convention relating to the regulation of aerial navigation.

18. The two Governments declare that the air services using the international air trunk routes should be operated by an international air transport authority.

19. The two Governments support the principles that (a) full control of the international air trunk routes and the ownership of all aircraft and ancillary equipment should be vested in the international air transport authority and (b) the international air trunk routes should themselves be specified in the international agreement referred to in the next succeeding clause.

20. The two Governments agree that the creation of the international air transport authority should be effected by an international agreement.

21. Within the framework of the system set up under any such international agreement the two Governments support (a) the right of each country to conduct all air transport services within its own national jurisdiction including its own contiguous territories subject only to agreed international requirements regarding safety facilities, landing and transit rights for international services and exchange of mails (b) the right of Australia and New Zealand to utilize to the fullest extent their productive capacity in respect of aircraft and raw materials for the production of aircraft, and (c) the right of Australia and New Zealand to use a fair proportion of their own personnel agencies and materials in operating and maintaining international air trunk routes.

22. In the event of failure to obtain a satisfactory international agreement to establish and govern the use of international air trunk routes the two Governments will support a system of air trunk routes controlled and operated by Governments of the British Commonwealth of Nations under Government ownership.

23. The two Governments will act jointly in support of the above-mentioned principles with respect to civil aviation and each will inform the other of its existing interests and commitments as a basis of advancing the policy herein agreed upon.

## DEPENDENCIES AND TERRITORIES

24. Following the procedure adopted at the conference which has just concluded, the two Governments will regularly exchange information and views in regard to all developments in or affecting the islands of the Pacific.

25. The two Governments take note of the intention of the Australian Government to resume administration at the earliest possible moment of those parts of its territories which have not yet been reoccupied.

26. The two Governments declare that the interim administration and ultimate disposal of enemy territories in the Pacific is of vital importance to Australia and New Zealand and that any such disposal should be effected only with their agreement and as part of a general Pacific settlement.

27. The two Governments declare that no change in the sovereignty or system of control of any of the islands of the Pacific should be effected except as a result of an agreement to which they are parties or in the terms of which they have both concurred.

## WELFARE AND ADVANCEMENT OF NATIVE PEOPLES OF THE PACIFIC

28. The two Governments declare that in applying the principles of the Atlantic Charter to the Pacific the doctrine of trusteeship (already applicable in the case of the mandated territories of which the two Governments are mandatory powers) is applicable in broad principle to all colonial territories, in the Pacific and elsewhere, and that the main purpose of the trust is the welfare of the native peoples and their social, economic, and political development.

29. The two Governments agree that the future of the various territories of the Pacific and the welfare of their inhabitants cannot be successfully promoted without a greater measure of collaboration between the numerous authorities concerned in their control; and that such collaboration is particularly desirable in regard to health services and communications, matters of native education, anthropological investigation, assistance in native production and material developments generally.

30. The two Governments agree to promote the establishment at the earliest possible date of a regional organization, with advisory powers which could be called the South Seas Regional Commission and to which, in addition to representatives of Australia and New Zealand, there might be accredited representatives of the Governments of the United Kingdom and the United States of America and of the French Committee of National Liberation.

31. The two Governments agree that it shall be the function of such South Seas Regional Commission as may be established to secure a common policy on social, economic, and political development directed towards the advancement and well-being of the native peoples themselves and that in particular the Commission shall (a) Recommend arrangements for the participation of natives in administration in increasing measure with a view to promoting the ultimate attainment of self-government in the form most suited to the circumstances of the native peoples concerned;

(b) Recommend arrangements for material development, including production, finance, communications, and marketing;

(c) Recommend arrangements for co-ordination of health and medical services and education;

(d) Recommend arrangements for maintenance and improvement of standards of native welfare in regard to labour conditions and participation of natives in administration and social services;

(e) Recommend arrangements for collaboration in economic, social, medical and anthropological research; and

(f) Make and publish periodical reviews of progress towards the development of self-governing institutions in the islands of the Pacific and in the improvement of standards of living, conditions of work, education, health, and general welfare.

## MIGRATION

32. In the peace settlement or other negotiations the two Governments will accord one another full support in maintaining the accepted principle that every Government has the right to control immigration and emigration in regard to all territories within its jurisdiction.

33. The two Governments will collaborate, exchange full information, and render full assistance to one another in all matters concerning migration to their respective territories.

## INTERNATIONAL CONFERENCE RELATING TO THE SOUTHWEST AND SOUTH PACIFIC

34. The two Governments agree that as soon as practicable there should be a frank exchange of views on the problems of security, post-war development, and native welfare between properly accredited representatives of the Governments with existing territorial interests in the South West Pacific area or in the South Pacific area or in both, namely, in addition to the two Governments, His Majesty's Government in the United Kingdom, the Government of the United States of America, the Government of the Netherlands, the French Committee of National Liberation and the Government of Portugal, and His Majesty's Government in the Commonwealth of Australia should take the necessary steps to call a conference of the Governments concerned.

## PERMANENT MACHINERY FOR COLLABORATION AND COOPERATION BETWEEN AUSTRALIA AND NEW ZEALAND

35. The two governments agree that (a) their cooperation for defence should be developed by (i) continuous consultation in all defence matters of mutual interest, (ii) the organisation, equipment, and training and (within) exercising of the armed forces under a common doctrine, (iii) joint planning, (iv) interchange of staff, and (v) the coordination of policy for the production of munitions, aircraft and supply items and for shipping to insure the greatest possible degree of mutual aid consistent with the maintenance of the policy of self-sufficiency in local production:

(b) collaboration in external policy on all matters affecting the peace, welfare, and good government of the Pacific should be secured through the exchange of information and frequent Ministerial consultation;

(c) the development of commerce between Australia and New Zealand and their industrial development should be pursued by consultation and in agreed cases by joint plans;

(d) there should be cooperation in achieving full employment in Australia and New Zealand and the highest standards of social security both within their borders and throughout the islands of the Pacific and other territories for which they may jointly and severally be wholly or partly responsible; and

(e) there should be cooperation in encouraging missionary work and all other activities directed towards the improvement of the welfare of the native peoples in the islands and territories of the Pacific.

36. The two Governments declare their desire to have the adherence to the objectives set out in the last preceding clause of any other Government having or controlling territories in the Pacific.

37. The two Governments agree that the methods to be used for carrying out the provisions of clause 35 of this agreement and of other provisions of this agreement shall be consultation, exchange of information and, where applicable, joint planning. They further agree that such methods shall include (a) conferences of Ministers of State to be held alternately in Canberra and Wellington, it being the aim of the two Governments that these conferences be held at least twice a year; (b) conferences of Departmental officers and technical experts; (c) meetings of standing intergovernmental committees on such subjects as are agreed to by the two Governments; (d) the fullest use of the status and functions of the High Commissioner of the Commonwealth of Australia in New Zealand and of the High Commissioner of the Dominion of New Zealand in Australia; (e) regular exchange of information; (f) exchange of officers; and (g) the development of institutions in either country serving the common purposes of both.

## PERMANENT SECRETARIAT

38. In order to ensure continuous collaboration on the lines set out in this agreement and to facilitate the carrying out of the duties and functions involved, the two Governments agree that a Permanent Secretariat shall be established in Australia and in New Zealand.

39. The Secretariat shall be known as the Australian-New Zealand Affairs Secretariat and shall consist of a Secretariat of the like name to be set up in Australia and a Secretariat of the like name to be set up in New Zealand, each under the control of the Ministry of External Affairs in the country concerned.

40. The functions of the Secretariat shall be (a) to take the initiative in ensuring that effect is given to the provisions of this Agreement; (b) to make arrangements as the occasion arises for the holding of conferences or meetings; (c) to carry out the



directions of those conferences in regard to further consultation, exchange of information or the examination of particular questions; (d) to coordinate all forms of collaboration between the two Governments; (e) to raise for joint discussion and action such other matters as may seem from day to day to require attention by the two Governments, and (f) generally to provide for more frequent and regular exchanges of information and views, these exchanges between the two Governments to take place normally through the respective High Commissioners.

41. His Majesty's Government in the Commonwealth of Australia, and His Majesty's Government in the Dominion of New Zealand each shall nominate an officer or officers from the staff of their respective High Commissioners to act in closest collaboration with the Secretariat in which they shall be accorded full access to all relevant sources of information.

42. In each country the Minister of State for External Affairs and the Resident High Commissioner shall have joint responsibility for the effective functioning of the Secretariat.

#### RATIFICATION AND TITLE OF AGREEMENT

43. This agreement is subject to ratification by the respective Governments and shall come into force as soon as both Governments have ratified the agreement and have notified each other accordingly. It is intended that such notification will take place as soon as possible after the signing of this agreement.

44. This agreement shall be known as the Australian-New Zealand Agreement, 1944.

Dated this twenty-first day of January, one thousand nine hundred and forty-four.

Signed on behalf of His Majesty's Government in the Dominion of New Zealand.

Signed on behalf of His Majesty's Government in the Commonwealth of Australia.

Mr. FULBRIGHT. Mr. Secretary, I was very interested in your comments, which you said were your personal views, about the future responsibility for the control of various parts of the world. You said that the trouble with the League of Nations was that we had these councils. Could you pursue that a little further as to just how we are going to allocate this responsibility and what kind of a governing or directing agency it will be?

Secretary KNOX. That is a pretty big chore.

Mr. FULBRIGHT. Does it not finally come down to that; that is the difficult thing we have to solve?

Secretary KNOX. What I said, Mr. Fulbright, was that I hoped that when we attacked the problem of maintaining peace by means of a navy and an air force in being, the assumption was that there would be a governing body that would direct the particular nation in control of that area to act, but not to tell them what to do; in other words, just say, "There is danger in that area; it is your responsibility to see that that danger progresses no further." Just as now, when we talk to the commander of the fleet in a given area, we give him the general objectives and tell him what we want to do, but we do not give him the details of just what he shall do. That is where you get into difficulty.

Mr. FULBRIGHT. I see the difficulty. What we are very much interested in is in knowing how to solve the problem of that over-all control. I think we will agree that it runs into this difficulty, that if we make any agreement to restrict our activity anywhere in the world, even to the extent of saying, "We will look after this part of the world and you look after that," the question arises whether we are keeping our sovereignty if we are not free to look after the Mediterranean or the North Atlantic or anywhere else.

Secretary KNOX. I think we will have to concede if that is a concession; that, we will have to work in combination with other great powers in order to maintain peace.

Mr. FULBRIGHT. That is what I feel, and if you are free to do so, I would like to have you say so, too. I think it finally comes down to that, that we do have to work together, which means, in a sense, a restriction of our absolute freedom of action. There is no other way.

Secretary KNOX. There is no other way. I hope we will always be realistic about it.

Mr. FULBRIGHT. That is realistic.

Secretary KNOX. Surely.

Mr. FULBRIGHT. It recognizes the necessity; and whereas it is commonly said to be Utopian even to hope that anything can be done about it, it is the most realistic way of looking at it.

Secretary KNOX. It is the only means we can pursue on a big scale, with any hope of success. I do not suppose that under any circumstances we will be able to avoid future wars entirely, especially small wars. But I think that under a set-up like this we can be reasonably hopeful that a great world-wide conflagration can be stopped before it gets started. If we had had the courage, and if our associates had had the courage in 1931, to stamp out the Japanese attempt at aggression, we probably would not be in this war in the Far East now.

Mr. FULBRIGHT. I feel exactly that way. One other observation. Do you not think the comparative efficiency and lack of friction in the combined staffs of all sorts, in this war, is a good sign? That is, it is much better than it was in the last war.

Secretary KNOX. I do. As I have said publicly before, and repeat here, in that interregnum between the cessation of hostilities and the conclusion of a firm peace, there will be necessity for protection against outbursts all around the world. The world will be in a very unsettled state and the obvious thing to do is to continue in existence these Combined Chiefs of Staff and hold them responsible for the maintenance of peace while we are negotiating the treaty.

Mr. EATON. Will the gentleman yield for a question?

Mr. FULBRIGHT. Yes.

Mr. EATON. Are we to understand that another Fulbright resolution is now in process of incubation? [Laughter.]

The CHAIRMAN. The Chair rules that question out of order.

Secretary KNOX. May I make an observation? I thank God for the Fulbright resolution. It was a step in the right direction.

Chairman BLOOM. I think that is a good time to stop, Mr. Fulbright.

Mr. MANSFIELD. Mr. Secretary, we are still in a war and have a long way to go before we win it.

Secretary KNOX. That is right.

Mr. MANSFIELD. I was very much interested in the Arabian oil situation, not so much because of what you had to say about the proposed Arabian deal, but because of your reference to the prospective use of oil lands in the Indies, when we reach that part of the Pacific war zone. We know that before this war Japan was not able to supply more than 10 percent of her needs for oil and that she was getting most of her oil through an expensive process from the shale of Manchuria, and buying some of the rest of it from the Russians in the northern half of the island of Sakhalin. Are they still buying oil from the Russians to carry on their operations?

Secretary KNOX. I do not know. The only thing I can say with any positiveness about their oil situation is that we have been very successful, amazingly successful, in sinking their tankers. That has crippled them in both the transport of oil to their home base and in the transport of oil to their advanced bases.

Mr. MANSFIELD. I think that policy of attrition is something which the American people really do not understand, because it has been probably the most effective weapon in breaking down the Japanese lines of communication and transportation in their empire.

Secretary KNOX. That is quite right.

Mr. MANSFIELD. When the Dutch gave up the East Indies, they gave up those huge fields that they had in Borneo, specifically at Balikpapan. Supposedly, the Dutch had anticipated war with Japan for a great many months, if not years, and those oil fields and all the installations were mined in such a way that, according to the Dutch, they could not be put in operation for at least 2 years. Do you have any information as to whether or not the Japanese have been successful in shortening that period of time and are now using the Borneo oil fields to fuel their fleet and merchant marine and air force?

Secretary KNOX. We understand they are getting some of their oil from the Dutch East Indies; how much, we do not know.

Mr. MANSFIELD. When we recapture the Dutch East Indies, as we are going to have to do, how long to you think it will take us to put those oil fields in operation, after the Japanese have destroyed them?

Secretary KNOX. We hope in a very short time.

Mr. MANSFIELD. But you have no definite figures, because you would have to see them and calculate the extent of the damage first, I suppose.

Secretary KNOX. We are prepared physically for it.

Mr. MANSFIELD. I gathered from the conversation between you and Congressman Wadsworth that it was your idea that not only should we be armed at all times in the future, but that we should take over the mandated islands which we gave—we are partially responsible for it—to the Japanese after the end of the last World War.

Secretary KNOX. Well, that deals with a question which, of course, will have to be handled by the peace conference when the war is over. My personal view is that those mandated islands have become Japanese territory and that as we capture them they are ours.

Mr. MANSFIELD. And that we should not given them up?

Secretary KNOX. That I personally should be opposed to, but I do not know what we will do when we get into the peace conference.

Mr. MANSFIELD. Mr. Secretary, we cannot afford to take the same chance in the future as we took in the past, and turn those islands over to the Japanese.

Secretary KNOX. You are dead right. I do not think anybody proposes that.

Mr. MANSFIELD. I hope also we will be able to settle the so-called condominium relative to the islands of Canton and Enderbery which are jointly occupied by the British and Americans at the present time, so we can obtain full and complete title to them. They are close to our territories and we need them for our future protection.



Secretary KNOX. Let me say this. I do not disagree with you at all, but which islands we shall retain and use must be a military determination, as to which ones are necessary. By and large, the islands out there are not of much use economically. They are not of much value except for their military value.

Mr. MANSFIELD. That is true.

Secretary KNOX. So that which islands we should positively retain must be a decision made by the military students who know where we need to have bases in the future.

Mr. MANSFIELD. Mr. Secretary, in that respect, the three groups of islands owned by the Japanese, as well as Canton and Enderbery, are economically useless?

Secretary KNOX. Yes.

Mr. MANSFIELD. But strategically they are of tremendous value to us?

Secretary KNOX. That will depend upon whether we have better bases near by which are more useful.

Mr. MANSFIELD. You stated in your testimony, Mr. Secretary, that every Chinese supplied with arms takes the place of an American.

Secretary KNOX. Yes.

Mr. MANSFIELD. I agree with that. Why would it not be a good idea, as long as we are training some portions of the Chinese Army in India, and using them very effectively in the opening of the Ledo Road in Burma at the present time, as well as training Chinese flyers at one of our air fields in Arizona, and as long as we have turned over to them two merchant ships under lend-lease—why would it not be a good idea at the same time to train Chinese sailors and turn over to them ships of war, as we have to our other allies, so that they could use them against the enemy in the Pacific?

Secretary KNOX. They have not any ports available to them.

Mr. MANSFIELD. Well, they do not have for the merchant ships, either.

Secretary KNOX. I do not know where they are using the merchant ships. You are telling me something when you say that we have turned over two ships to them. I did not know that.

Mr. MANSFIELD. Mr. Cox, I think, could answer that, if he wishes to.

Mr. Cox. That statement is true. The ships are used on the Indian Ocean run.

Mr. MANSFIELD. Of course, we have no ports in China, but I think the Chinese could use those ships to great advantage and help bring about the defeat of their mortal enemy as well as ours.

Secretary KNOX. I will say this. Plans are under consideration right now for helping in training the Chinese for later developments in the war. But as for transporting them over here, we do not have the shipping to do that. That will have to be done in China itself. And there we are carrying it on to a very considerable extent right now.

Mr. MANSFIELD. I can see your point, but we do transport Chinese flyers over here for training.

Secretary KNOX. In small numbers; yes. I might add that I now recall that 50 Chinese naval cadets arrived in this country for training last fall. They are now at Swarthmore and will receive further training at naval schools in the future.

Mr. MANSFIELD. They would not have to have a large number of ships, but it would be an indication of the cooperation between the two nations. It is my personal opinion—I may be wrong, but I do not think so—that in the Far East we are going to have to depend upon China more and more and more as time goes on.

Secretary KNOX. That is right. There is the manpower right at the scene of action and it would be folly for us to transport thousands of men from the American continent over to Asia to fight a war in which they are engaged and in which they are anxious to fight.

Mr. MANSFIELD. And which they have fought very well to date with what little they had.

Secretary KNOX. With what they have; you are right.

Mr. MANSFIELD. That is all.

Mr. WRIGHT. Mr. Secretary, as a new member of the committee I would like to express my commendation of the consistent position you have always taken in the matter of building up our national defense and your realistic point of view toward the war. There are a couple of questions I would like to ask, and they have been more or less suggested by some of the questions asked by the other members. As to the oil situation in Arabia, I am not worried about whether it is practical. It seems to me it is a very practical thing to do. I am just worried about the method. Is there any difference in principle between what was done there and what we did in South America when we purchased strategic materials there, and what we did in this country in building plants, from the governmental point of view?

Secretary KNOX. It is just the same thing exactly—military necessity.

Mr. WRIGHT. Of course, I do not know whether we will ever achieve this objective but I am a perpetual optimist. I know we have to proceed quickly and we have to make decisions immediately. I would like to see full discussion of projects such as that, before committees of the House and Senate, before they are instituted. I think it would go a long way toward building up accord and a close relationship between the two branches of government.

Secretary KNOX. I should like to come up here with my associates on that board. I have talked to them about it and they are all perfectly willing to come to the Foreign Affairs Committee of the House. Mr. Hull, Mr. Stimson, Mr. Ickes, Mr. Crowley, and I are at your orders any time you want to see us. We will be more than delighted to come, because we want all possible publicity on this, in order to do away with any misunderstandings.

Mr. WRIGHT. I think that is a very fine spirit, Mr. Secretary.

I have just one more question. With reference to the post-war matter of bases, it is conceivable, if we set up an organization of international security, that the other nations of the world will want us to have those bases. For instance, in the Atlantic, it would be to the advantage not only of this country but of Great Britain and South America.

Secretary KNOX. We got them for 99 years, so we do not have to worry about that.

Mr. WRIGHT. As to the Pacific bases, since we are the largest military power available there, would it not be to the advantage of China and Australia, as well as ourselves, to hold some of these bases as a protection against future Japanese aggression?

Secretary KNOX. Most emphatically. We propose to leave Japan, when this war is over, completely defenseless. We do not propose to allow her to have any fleet, or any air force, or any army. We are going to make her learn her way around civilized society before she can again become one of the rest of us. We are the dominant sea power and air power in the Pacific and naturally the bases should be distributed accordingly.

Mr. WRIGHT. I hope everybody in the Government agrees with you on that.

Secretary KNOX. I think they do. I have heard nobody oppose that view.

Mr. WRIGHT. Thank you very much.

Mr. SCHIFFLER. May I ask one more question, Mr. Chairman? I have heard it said—and I do not know how authentic it is—that with reference to the destruction of the wells in the Far East, while they were mined, there was some reluctance on the part of the Dutch completely to destroy them, which made the oil there more easily accessible to the Japanese.

Secretary KNOX. I have heard that, but that is only a rumor.

Mr. SCHIFFLER. The Japs may take a lesson from that and make it less accessible to us, when we capture them.

Secretary KNOX. They will do all that they can to destroy them.

Chairman BLOOM. Mr. Secretary, if there are no further questions, many happy returns of the day.

Secretary KNOX. Can't we all join together and sing, "Happy birthday to you"?

The CHAIRMAN. I am saying to you, many happy returns of the day, because the committee always likes to have you here.

Secretary KNOX. Well, I enjoy being here.

The CHAIRMAN. You speak right from the shoulder and you give the committee the information they would like to have.

Thank you again, Mr. Secretary.

The Chair wishes to announce that the hearings on H. R. 4254 are now closed and we will meet on Tuesday at 10:30 in executive session.

(Whereupon the committee adjourned.)



## APPENDIXES

### APPENDIX A

INFORMATIONAL MATERIAL ON LEND-LEASE OPERATIONS FURNISHED TO COMMITTEE MEMBERS AT THE BEGINNING OF THE HEARINGS AND INSERTED IN THE HEARINGS AT THEIR REQUEST

#### LEND-LEASE RESULTS

As the third anniversary of the passage of the Lend-Lease Act approaches, the United Nations are on the offensive on all the war fronts of the world. This is in marked contrast to the situation three years ago, when the Lend-Lease Act was being debated. Then the armies on the offensive were those of the Axis Powers. The German Army had overrun much of Europe, and Japan was rapidly accomplishing her objectives in the Far East. Today the United States Air Forces joined with the Royal Air Force are striking at the heart of the Nazi air power. The Soviet Armies, equipped in part with lend-lease supplies, are still moving ahead in their magnificent offensives. Our forces combined with the British are progressing in Italy. In the Pacific, combined operations are moving the Japanese back.

Shortly after March 11, 1941, lend-lease aid began to flow to Britain. Then, Britain stood alone against the Nazi threat. Needed munitions, first for Britain's defense and later for her offensive against Germany, materials for the production of munitions in the British factories, and food for the British fighting forces and war workers, turned the tide in the European war theater. Lend-lease weapons sent to north Africa aided in the expulsion of the Axis forces from that sector. Vitaly needed war supplies were sent to armies resisting Japanese aggression. The Soviet Army made good use of the lend-lease weapons sent them following the invasion of the Union of Soviet Socialist Republics by the German Army. Now, lend-lease aircraft and bombs in the hands of our allies are joined with our own air forces in crippling the fighter ship production, the supplies of fighter ships and other vital parts of the German war machine by our strategic air forces acting in unison with the British and our other allies.

The enemy forces which now face our own Army, Navy, and Air Forces have been materially weakened by the lend-lease aid furnished to our allies. American airmen, soldiers, and sailors do not need to face the countless Axis soldiers who have been killed by lend-lease planes and guns. In terms of American lives, lend-lease has justified itself as a weapon of war. In addition, the war has been and will be shortened and the final financial cost to us will be lessened because of lend-lease.

#### *Lend-lease cost in relation to total war costs.*

The United States is fighting this war in two ways: Through our own armed forces and through the forces of our allies equipped and supplied by lend-lease aid. Of our total war expenditures to the end of 1943, 86.3 percent went for equipment, supplies, etc., for our armed forces and the home front. The other 13.7 percent went for lend-lease supplies to our allies. This is just as essential and integral part of our war effort as the expenditures for our own forces. In both cases the end and aim of the supplies is to break the power of and to defeat our common enemies. If it were not for the effective work done by our allies with the aid of lend-lease, our direct war expenditures would necessarily be greater—in lives, in supplies, and in money.

#### *Total lend-lease aid.*

Total lend-lease aid from the beginning of the program in March 1941 to December 31, 1943, amounted to \$19,986,000,000.

Aid furnished in the year 1943 totaled \$11,733,000,000, compared with \$7,009,000,000 in 1942 and \$1,244,000,000 in 1941.

Planes, bombs, tanks, guns and other munitions accounted for the greatest part of total aid. For the entire period they represented 54 percent of the total. The ratio was 22 percent in 1941, 46 percent in 1942, 61 percent in the year 1943, and 67 percent in December 1943, indicating that an increasingly large proportion of lend-lease aid is accounted for by munitions of war.

Industrial materials and products transferred to our allies to aid their production of planes, ammunition, and other vital war supplies amounted to \$4,146,000,000 to the end of 1943.

All of these materials and products are used for direct war purposes. Petroleum products are used largely by our allies to keep planes, tanks, and other war vehicles in operation. Metals are furnished for the production of planes, ships, and other munitions. Machinery is used in the war plants of the lend-lease countries in order to keep their war production as large as possible. Other materials have been supplied to our allies for similar vital uses.

The third principal group of lend-lease goods consists of foodstuffs and other agricultural products. Such commodities transferred to the end of 1943 amounted to \$2,534,000,000. Foodstuffs accounted for \$2,090,000,000 and other agricultural products—principally cotton, tobacco, and lumber products—for \$444,000,000.

In the early part of the lend-lease program most of the food was sent to Britain to supplement her inadequate supplies. Former important sources of supply, including Denmark, Holland, and other countries, had been cut off. Serious shortages, particularly of high-protein foods, were threatening not only the health of the people but also the British war effort. Lend-lease food from the United States made up in part for the food deficiency.

The Nazi invasion of the Union of Soviet Socialist Republics, with the subsequent occupation of some of the richest agricultural areas, resulted in a drastic food shortage there. This was met in part by lend-lease food. Most of the food furnished to the Soviets has been for the Red Army. More than 99 percent of all the food transferred under lend-lease has gone to the British and Soviets.

Essential services furnished to lend-lease countries, as distinguished from goods, totaled \$2,550,000,000 to the end of 1943. More than half of this amount represented the rental and charter of ships to move war supplies to the fighting fronts and for other war purposes, ferrying of aircraft, and similar services amounted to \$1,451,000,000. Servicing and repair of ships and other war equipment amounted to \$407,000,000. Production facilities erected in this country to produce war and other vital materials with lend-lease funds are valued at \$605,000,000. These facilities will become a part of our permanent industrial capacity in the post-war period. Miscellaneous expenses account for the remaining \$87,000,000 of the services total.

#### *Lend-lease exports.*

Information on total lend-lease aid is necessary to a correct understanding of the total value of goods transferred and services rendered to our allies under the lend-lease program. Figures on aid, however, do not show to which countries the goods are sent. Since lend-lease exports are classified by country of destination, the export data are extremely useful in showing in what theaters of war lend-lease goods are used.

Lend-lease exports to all areas in 1943 were more than twice as large as in 1942. Large increases were registered in shipments to all the principal areas, as indicated by the following tabulation:

*Percentage changes in lend-lease exports, 1942-43*

Country of destination	Percent increase
United Kingdom.....	100
Union of Soviet Socialist Republics.....	114
Africa and Middle East.....	129
China, India, Australia, and New Zealand.....	71
Other countries.....	72
All countries.....	103

Opening up of North Africa and its development as an Allied base of operations accounted for the large increase in shipments to the African and Middle East area.

More detailed information on exports, by category as well as by area, will be found in the tables and charts which follow.

*Lend-lease appropriations*  
[Millions of dollars]

Category	Amounts appropriated					Adjusted appropriations Dec. 31, 1943	Percent change in appropriations <sup>1</sup>
	First appropriation	Second appropriation	Third appropriation	Fourth appropriation	Total		
1. Ordnance and ordnance stores.....	1,343	1,190	-----	-----	2,533	1,692	-33.2
2. Aircraft and aeronautical material.....	2,054	685	-----	-----	2,739	2,680	-2.2
3. Tanks and other vehicles.....	362	385	129	-----	876	739	-15.6
4. Vessels and watercraft.....	629	850	734	1,553	3,766	3,872	+2.8
5. Miscellaneous military equipment.....	260	155	-----	-----	415	354	-14.7
6. Production facilities in United States.....	752	375	112	-----	1,239	1,105	-10.8
7. Agricultural and industrial commodities.....	1,350	1,875	3,567	4,452	11,244	12,609	+12.1
8. Servicing, repair of ships, etc.....	200	175	208	259	842	791	-6.1
9. Services and expenses.....	40	285	675	-----	1,000	800	-20.0
10. Administrative expenses.....	10	10	-----	9	29	29	.0
<b>Total.....</b>	<b>7,000</b>	<b>5,985</b>	<b>5,425</b>	<b>6,273</b>	<b>24,683</b>	<b>24,671</b>	<b>-.05</b>

<sup>1</sup> The Lend-Lease Appropriation Acts provide that with the exception of the appropriation for Administrative Expenses, up to 20 percent of the consolidated appropriation for any category may be transferred by the President to the consolidated appropriation for any other category, but no consolidated appropriation may be increased by more than 30 percent. The Fourth Lend-Lease Appropriation Act provided an exception in the case of ordnance and ordnance stores; certain transfers could be made from that category to agricultural and industrial commodities.

AMOUNTS OF LEND-LEASE AID AUTHORIZED

The amount of lend-lease aid that may be provided under the various acts is summarized as follows:

I

*Lend-lease appropriations to the President*

First lend-lease appropriation.....	\$7,000,000,000
Second lend-lease appropriation.....	5,985,000,000
Third lend-lease appropriation (fifth supplemental 1942).....	5,425,000,000
Fourth lend-lease appropriation.....	6,273,629,000
<b>Total.....</b>	<b>24,683,629,000</b>

II

*Transfers authorized from other appropriations.*

Direct appropriations have been made to the War and Navy Departments and to the Maritime Commission for the procurement of items which are in the main common to the uses of our own armed forces and those of our allies. These items when produced can be used, in other words, by our own armed forces or those of our allies in the manner in which they can be most effective in defeating our common enemies. It is not until they are ready for distribution that they are allocated by the military experts in accordance with the strategic needs. The appropriation acts in question authorize transfers to our allies up to stated amounts under the Lend-Lease Act. That does not mean that transfers up to the stated amounts have to or will necessarily be made. All that it means is that there is sufficient flexibility for the military experts to assign the supplies where they will do the most good in winning the war.

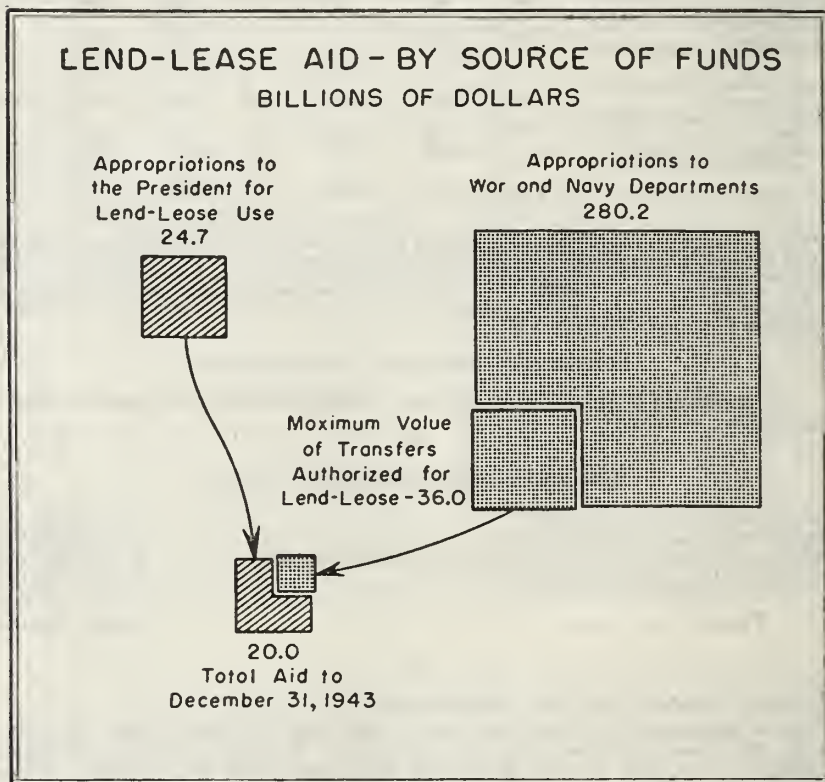
War Department, third supplemental, 1942.....	\$2,000,000,000
War Department, fourth supplemental, 1942.....	4,000,000,000
War Department, fifth supplemental, 1942.....	11,250,000,000
War Department, sixth supplemental, 1942.....	2,220,000,000
War Department, Military Appropriation Act, 1943.....	12,700,000,000
Navy Department, second supplemental, 1943.....	3,000,000,000
Departments other than War, third supplemental, 1942.....	800,000,000

<b>Total.....</b>	<b>35,970,000,000</b>
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NOTE.—In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission without any numerical limitation as to the dollar value or the number of such ships which may be so leased. (See for example, Public Law 1, 78th Cong., approved Feb. 19, 1943, and Public Law 11, 78th Cong., approved Mar. 18, 1943.)

Under the transfer authority about \$5,000,000,000 of transfers have actually been made, representing one-fourth of total lend-lease aid. Since planes, guns, ships, and other munitions of war are now furnished from appropriations other than those to the President, and since the ratio of munitions to total aid has been increasing, the proportion of lend-lease aid which comes from appropriations to the War and Navy Departments is growing.



The above chart is designed to show in a simple way the relative amounts of lend-lease aid by the appropriations from which the aid comes. Approximately three-fourths of the total aid to the end of 1943 came from the direct lend-lease appropriations to the President. The remainder came from appropriations to other agencies, primarily the War and Navy Departments. The approximate \$5,000,000,000 of aid shown as coming from the War and Navy Departments also include the value of certain merchant ships procured from funds appropriated to the Maritime Commission, not shown separately in the chart.

*Allocations, obligations, and expenditures of lend-lease funds appropriated to the President—Report as of Jan. 31, 1944*

[Thousands of dollars]

Appropriation category	Adjusted appropriations	Cumulative to Jan. 31, 1944		
		Alloca-tions	Obliga-tions	Expendi-tures
Ordnance and ordnance stores.....	1,692,306	1,573,966	1,476,899	1,307,222
Aircraft and aeronautical material.....	2,679,625	2,541,034	2,477,956	2,050,244
Tanks and other vehicles.....	739,273	670,871	631,083	613,377
Watercraft.....	3,871,703	2,980,849	2,328,473	2,130,089
Miscellaneous military equipment.....	354,288	323,289	294,448	248,431
Production facilities.....	1,104,688	1,091,949	1,056,317	961,830
Agricultural and industrial commodities.....	12,608,929	11,946,981	8,925,835	7,192,084
Service, repair of ships, etc.....	790,818	673,424	535,712	521,381
Services and expenses.....	800,000	417,924	315,834	256,215
Administrative expenses.....	28,999	27,048	25,285	25,046
Total.....	24,670,629	22,247,335	18,067,842	15,305,919

Procuring agency	Cumulative to Jan. 31, 1944		
	Allocations	Obligations	Expenditures
War Department.....	\$5,420,439	\$5,194,879	\$4,685,628
Navy Department.....	3,478,828	2,634,131	2,085,182
Maritime Commission and War Shipping Administration.....	2,914,437	2,190,405	2,186,913
Treasury Department.....	4,602,012	3,261,384	2,493,871
Department of Agriculture.....	5,808,417	4,766,984	3,838,112
Other.....	23,202	20,059	16,213
Total.....	22,247,335	18,067,842	15,305,919

*Allocations and obligations of lend-lease funds appropriated to the President, all agencies*

[Millions of dollars]

Month	Allocations		Obligations	
	Monthly	Cumulative	Monthly	Cumulative
1941—January.....				
February.....				
March.....	1,000	1,000	198	198
April.....	1,600	2,600	400	598
May.....	1,678	4,278	400	998
June.....	899	5,177	1,460	2,458
July.....	269	5,446	599	3,057
August.....	835	6,281	499	3,556
September.....	175	6,456	747	4,303
October.....	315	6,771	510	4,813
November.....	2,415	9,186	430	5,243
December.....	2,141	11,327	1,027	6,270
1942—January.....	713	12,040	1,080	7,350
February.....	232	12,272	1,109	8,459
March.....	1,364	13,636	744	9,203
April.....	222	13,858	673	9,876
May.....	508	14,366	305	10,181
June.....	281	14,647	484	10,665
July.....	382	15,029	471	11,136
August.....	417	15,446	353	11,489
September.....	332	15,778	446	11,935
October.....	293	16,071	299	12,234
November.....	1,362	17,433	361	12,595
December.....	193	17,626	292	12,887
1943—January.....	2	17,628	308	13,195
February.....	337	17,965	376	13,571
March.....	211	18,176	401	13,972
April.....	106	18,282	238	14,210
May.....	43	18,325	358	14,568
June.....	1,873	20,198	522	15,090
July.....	746	20,944	218	15,308
August.....	221	21,165	464	15,772
September.....	305	21,470	947	16,719
October.....	268	21,738	511	17,230

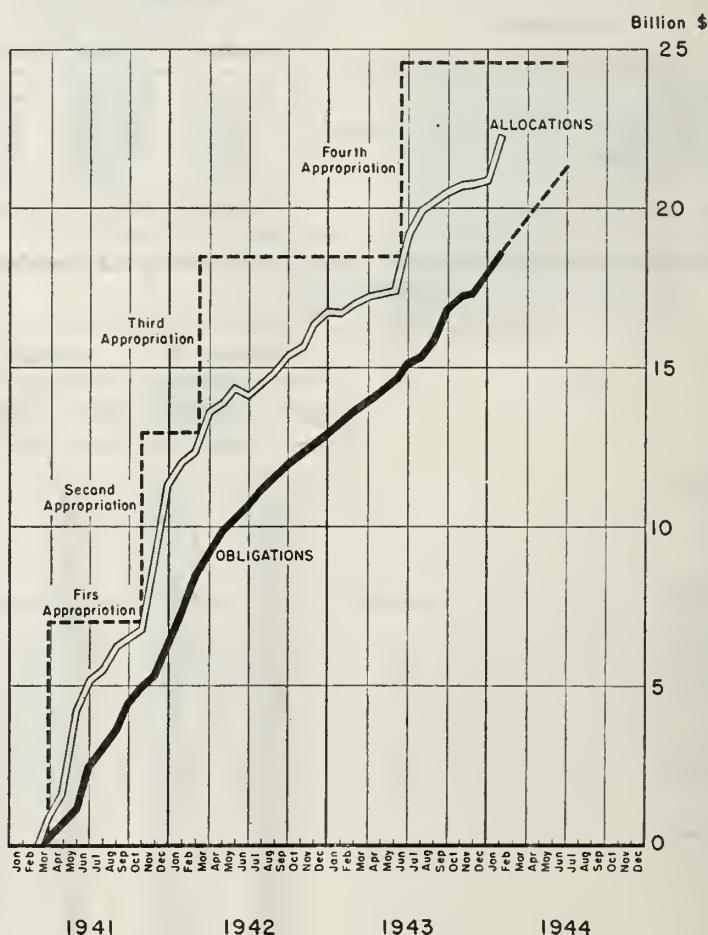
*Allocations and obligations of lend-lease funds appropriated to the President, all agencies—Continued*

[Millions of dollars]

Month	Allocations		Obligations	
	Monthly	Cumulative	Monthly	Cumulative
1943—November.....	32	20,818	147	17,377
December.....	32	20,850	379	17,756
1944—January.....	1,397	22,247	312	18,068
February.....				
March.....				

## APPROPRIATIONS, ALLOCATIONS & OBLIGATIONS LEND-LEASE FUNDS APPROPRIATED TO PRESIDENT

CUMULATIVE SINCE BEGINNING OF PROGRAM





*Total lend-lease aid, March 1941 through Dec. 31, 1943*

	Amount	Percent of total
Goods transferred:		
Munitions.....	\$10,756,459,000	53.8
Industrial materials and products.....	4,145,927,000	20.7
Agricultural products.....	2,534,056,000	12.7
Total transfers.....	17,436,442,000	87.2
Services rendered:		
Servicing and repair of ships, etc.....	407,368,000	2.1
Rental of ships, ferrying of aircraft, etc.....	1,450,698,000	7.3
Production facilities in the United States.....	605,058,000	3.0
Miscellaneous expenses.....	86,569,000	.4
Total services.....	2,549,693,000	12.8
Total lend-lease aid.....	19,986,135,000	100.0

The above figures are exclusive of the value of goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The total value of such consignments to November 30, 1943, was \$509,892,000.

*Break-down of lend-lease aid*

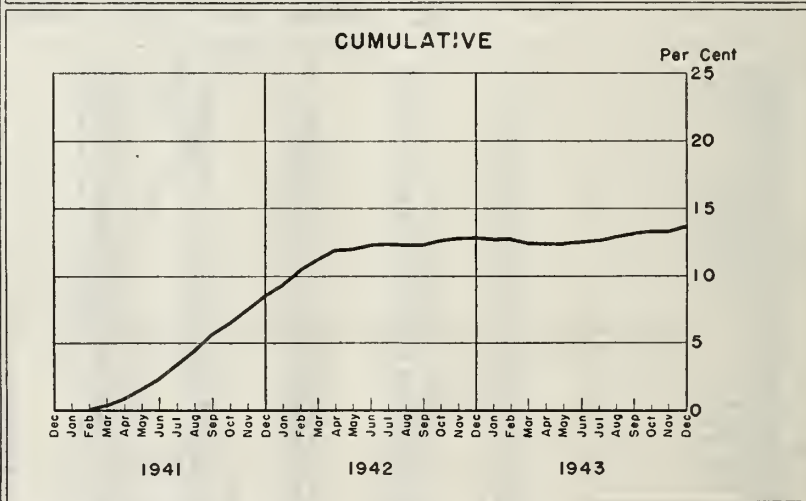
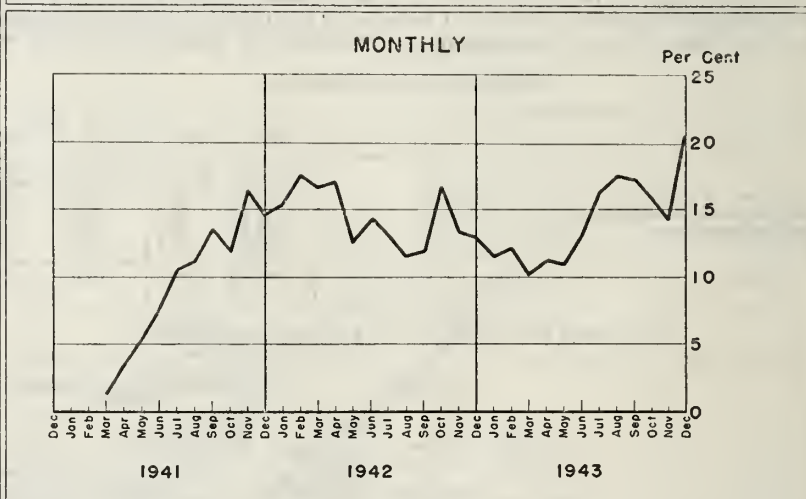
	1941	1942	1943	Total
	Percent	Percent	Percent	Percent
Munitions.....	21.5	46.7	61.5	53.8
Industrial materials and products.....	21.9	20.9	20.5	20.7
Agricultural products.....	29.8	12.8	10.8	12.7
Services.....	26.8	19.6	7.2	12.8
Total.....	100.0	100.0	100.0	100.0

*Lend-lease aid compared with total war expenditures*

	Monthly			Cumulative since beginning of program		
	Millions of dollars		Lend-lease aid in percent of war expenditures	Millions of dollars		Lend-lease aid in percent of war expenditures
	Lend-lease aid	Total war expenditures		Lend-lease aid	Total war expenditures	
1941—January.....		581	0		2,442	0
February.....		599	0		3,041	0
March.....	10	767	1.3	10	3,808	0.3
April.....	28	796	3.5	38	4,604	0.8
May.....	45	855	5.3	83	5,459	1.5
June.....	63	841	7.5	146	6,301	2.3
July.....	101	962	10.5	247	7,263	3.4
August.....	126	1,124	11.2	373	8,387	4.4
September.....	181	1,343	13.5	554	9,730	5.7
October.....	182	1,545	11.8	736	11,275	6.5
November.....	234	1,428	16.4	970	12,703	7.6
December.....	274	1,861	14.7	1,244	14,563	8.5
1942—January.....	322	2,104	15.3	1,566	16,667	9.4
February.....	388	2,208	17.6	1,954	18,875	10.4
March.....	468	2,809	16.7	2,422	21,684	11.2
April.....	554	3,238	17.1	2,972	24,922	11.9
May.....	449	3,560	12.6	3,425	28,482	12.0
June.....	548	3,829	14.3	3,973	32,312	12.3
July.....	595	4,498	13.2	4,568	36,809	12.4
August.....	560	4,884	11.5	5,128	41,693	12.3
September.....	643	5,384	11.9	5,771	47,077	12.3
October.....	915	5,481	16.7	6,686	52,558	12.7
November.....	810	6,042	13.4	7,496	58,600	12.8
December.....	757	5,825	13.0	8,254	64,425	12.8
1943—January.....	682	5,947	11.5	8,935	70,372	12.7
February.....	697	5,770	12.1	9,632	76,142	12.7
March.....	687	6,744	10.2	10,319	82,886	12.4
April.....	783	6,974	11.2	11,102	89,860	12.4
May.....	790	7,092	11.1	11,892	96,952	12.3
June.....	1,031	7,469	13.1	12,923	104,421	12.4

*Lend-lease aid compared with total war expenditures—Continued*

	Monthly			Cumulative since beginning of program		
	Millions of dollars		Lend-lease aid in percent of war expenditures	Millions of dollars		Lend-lease aid in percent of war expenditures
	Lend-lease aid	Total war expenditures		Lend-lease aid	Total war expenditures	
1943—July.....	1,050	6,432	16.3	13,973	110,853	12.6
August.....	1,261	7,232	17.4	15,234	118,085	12.9
September.....	1,197	6,952	17.2	16,431	125,037	13.1
October.....	1,102	6,989	15.8	17,533	132,026	13.3
November.....	1,076	7,541	14.3	18,609	139,567	13.3
December.....	1,377	6,718	20.5	19,986	146,285	13.7

LEND-LEASE AID IN % OF  
TOTAL WAR EXPENDITURES

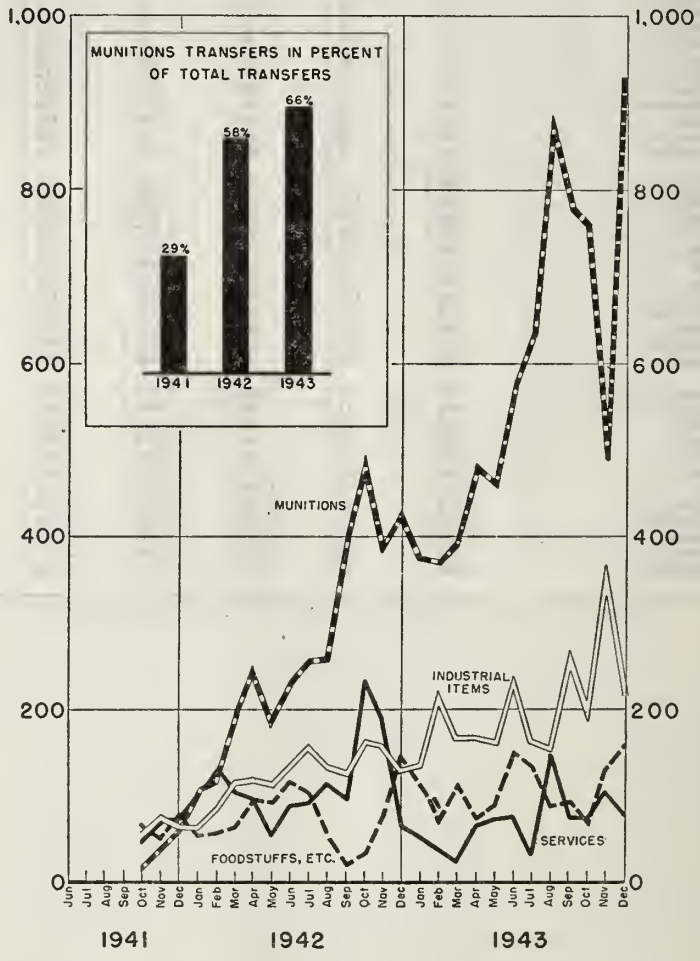
*Lend-lease aid*

[Millions of dollars]

	Monthly			Cumulative		
	Goods	Services	Total	Goods	Services	Total
1941—						
January.....						
February.....						
March.....	6	4	10	6	4	10
April.....	20	8	28	26	12	38
May.....	35	10	45	61	22	83
June.....	41	22	63	102	44	146
July.....	73	28	101	175	72	247
August.....	95	31	126	270	103	373
September.....	144	37	181	414	140	554
October.....	132	50	182	546	190	736
November.....	164	70	234	710	260	970
December.....	200	74	274	910	334	1,244
1942—						
January.....	220	102	322	1,130	436	1,566
February.....	260	128	388	1,390	564	1,954
March.....	362	106	468	1,752	670	2,422
April.....	455	99	554	2,207	769	2,976
May.....	394	55	449	2,601	824	3,425
June.....	459	89	548	3,060	913	3,973
July.....	504	91	595	3,564	1,004	4,568
August.....	446	114	560	4,010	1,118	5,128
September.....	544	99	643	4,554	1,217	5,771
October.....	680	235	915	5,234	1,452	6,686
November.....	620	190	810	5,854	1,642	7,496
December.....	694	63	757	6,548	1,705	8,253
1943—						
January.....	627	55	682	7,175	1,760	8,935
February.....	656	41	697	7,831	1,801	9,632
March.....	663	24	687	8,494	1,825	10,319
April.....	720	63	783	9,214	1,888	11,102
May.....	716	74	790	9,930	1,962	11,892
June.....	954	77	1,031	10,884	2,039	12,923
July.....	1,018	32	1,050	11,902	2,071	13,973
August.....	1,114	147	1,261	13,016	2,219	15,235
September.....	1,121	76	1,197	14,137	2,294	16,431
October.....	1,028	73	1,101	15,165	2,368	17,533
November.....	971	105	1,076	16,136	2,473	18,609
December.....	1,300	77	1,377	17,436	2,550	19,986



GOODS TRANSFERRED AND SERVICES RENDERED  
MONTHLY IN MILLIONS OF DOLLARS



*Exports from the United States*

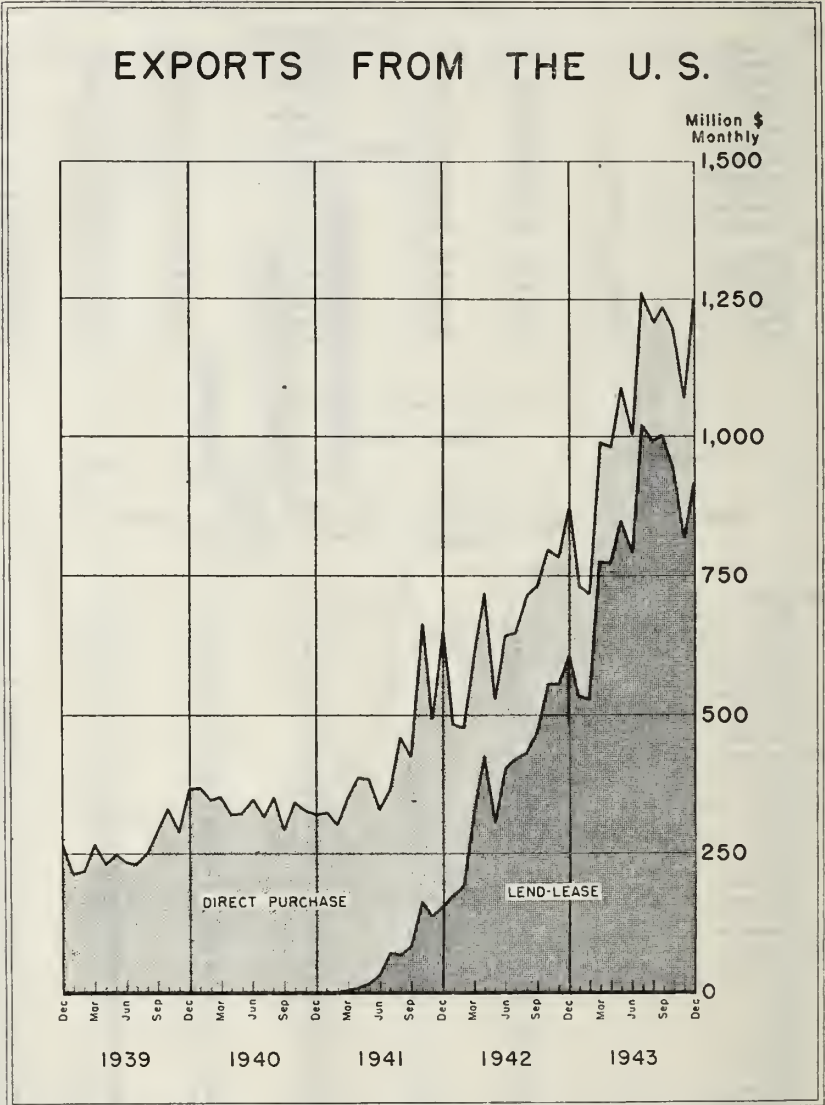
[Millions of dollars—monthly]

Month	Lend-lease	Direct purchase	Total	Month	Lend-lease	Direct purchase	Total
1941—				1942—Continued.			
January.....	-----	-----	-----	July.....	424	226	650
February.....	-----	-----	-----	August.....	434	269	703
March.....	1	355	356	September.....	472	260	732
April.....	5	382	387	October.....	562	239	801
May.....	16	369	385	November.....	561	226	787
June.....	35	295	330	December.....	608	265	873
July.....	72	293	365	1943—			
August.....	67	393	460	January.....	535	195	730
September.....	86	339	425	February.....	529	190	719
October.....	167	499	666	March.....	777	211	988
November.....	137	355	492	April.....	775	205	980
December.....	155	498	653	May.....	848	237	1,085
1942—				June.....	791	211	1,002
January.....	175	306	481	July.....	1,021	241	1,262
February.....	194	286	480	August.....	989	215	1,204
March.....	329	299	628	September.....	1,001	232	1,233
April.....	425	292	717	October.....	942	251	1,193
May.....	306	229	535	November.....	818	256	1,074
June.....	405	243	648	December.....	916	333	1,249

*Lend-lease exports—by country*

[Millions of dollars]

Month	United Kingdom	Union of Soviet Socialist Republics	Africa and Middle East	China, India, Australia, New Zealand	Other	Total
1941—March.....	-----	-----	-----	-----	1	1
April.....	1	-----	-----	-----	4	5
May.....	9	-----	5	1	1	16
June.....	26	-----	6	1	2	35
July.....	49	-----	19	1	3	72
August.....	46	-----	14	5	2	67
September.....	74	-----	7	2	3	86
October.....	142	-----	12	12	1	167
November.....	107	-----	10	18	2	137
December.....	119	1	23	12	-----	155
1942—January.....	105	15	24	18	13	175
February.....	79	55	26	22	12	194
March.....	149	97	25	47	11	329
April.....	144	164	45	55	17	425
May.....	144	70	37	47	8	306
June.....	210	110	35	36	14	405
July.....	175	103	66	59	21	424
August.....	152	150	53	56	18	434
September.....	214	102	71	67	18	472
October.....	222	128	98	82	32	562
November.....	204	191	95	55	16	561
December.....	207	167	112	97	25	608
1943—January.....	178	167	94	74	22	535
February.....	222	186	46	49	26	529
March.....	309	211	132	67	58	777
April.....	353	210	116	67	29	775
May.....	400	177	151	83	37	848
June.....	425	139	100	101	26	791
July.....	392	230	221	147	31	1,021
August.....	370	313	165	113	28	989
September.....	397	301	190	81	32	1,001
October.....	356	263	165	128	30	942
November.....	259	337	110	81	31	916
December.....	356	354	96	96	14	818





*Lend-lease exports—by category*

[Millions of dollars]

Month	Munitions	Industrial items	Foodstuffs, etc.	Total
1941—March.....				1
April.....				2
May.....				16
June.....				35
July.....				72
August.....				67
September.....				86
October.....				167
November.....				137
December.....				155
1942: January.....	66	50	59	175
February.....	105	53	36	194
March.....	177	90	62	329
April.....	206	117	102	425
May.....	140	82	84	306
June.....	207	101	97	405
July.....	235	115	74	424
August.....	243	125	66	434
September.....	244	118	110	472
October.....	305	143	114	562
November.....	333	145	83	561
December.....	342	170	96	608
1943: January.....	302	139	94	535
February.....	285	133	111	529
March.....	438	176	163	777
April.....	448	205	122	775
May.....	538	189	121	848
June.....	424	209	158	791
July.....	642	225	154	1,021
August.....	517	272	200	989
September.....	551	244	206	1,001
October.....	530	231	181	942
November.....	467	223	128	818
December.....	493	227	196	916

*Lend-lease exports of munitions*

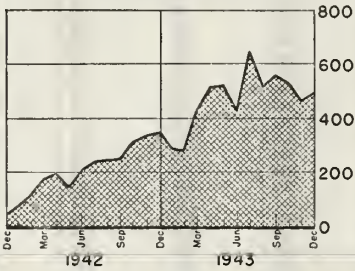
[Monthly in thousands of dollars]

	Aircraft <sup>1</sup> and parts	Ordnance and am- munition	Tanks and parts	Motor vehicles and parts	Watercraft and parts <sup>2</sup>
1941—March.....		1,317			
April.....	522	3,631	990		454
May.....		2,800	3,420	2,567	681
June.....	1,953	3,348	3,240	2,512	227
July.....	1,115	13,673	6,056	1,018	185
August.....	2,426	14,652	6,457	2,637	500
September.....	3,029	9,481	2,803	4,469	46
October.....	3,492	10,906	6,757	12,269	1,792
November.....	7,201	8,764	4,932	8,327	1,574
December.....	6,557	12,062	8,378	9,984	1,703
1942—January.....	22,837	17,449	10,413	13,414	1,527
February.....	47,440	21,284	17,012	17,778	2,087
March.....	76,319	37,303	25,217	30,455	1,802
April.....	72,895	50,683	25,948	52,188	1,506
May.....	42,633	50,623	15,440	27,285	1,853
June.....	84,911	69,877	24,141	23,600	1,903
July.....	95,023	74,334	38,267	22,836	2,633
August.....	82,057	72,013	48,778	34,425	5,333
September.....	75,520	82,181	43,881	36,487	5,943
October.....	95,375	114,071	40,313	47,425	7,586
November.....	102,608	114,059	47,990	54,309	13,853
December.....	85,650	155,692	36,572	51,379	12,909
1943—January.....	75,867	125,588	32,782	43,060	9,265
February.....	105,758	89,130	28,627	39,233	19,979
March.....	132,779	118,259	74,502	68,814	36,329
April.....	163,171	111,404	132,026	69,758	12,524
May.....	159,856	118,157	139,542	76,966	17,159
June.....	126,335	98,569	101,002	70,500	28,467
July.....	214,324	174,840	102,197	111,731	38,261
August.....	157,507	139,592	100,933	95,802	22,942
September.....	203,185	158,467	76,327	94,857	17,499
October.....	164,125	147,932	80,042	126,787	11,046
November.....	187,474	122,498	43,924	98,388	14,268
December.....	137,940	140,491	70,211	121,387	22,904

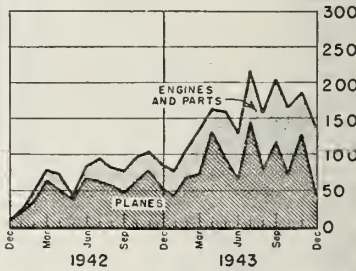
<sup>1</sup> Includes value of planes flight delivered.<sup>2</sup> Does not include value of ships sailed away under their own power.

LEND-LEASE EXPORTS OF MUNITIONS  
MONTHLY IN MILLIONS OF DOLLARS

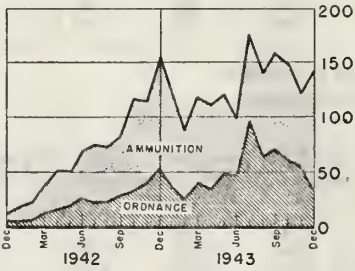
ALL MUNITIONS



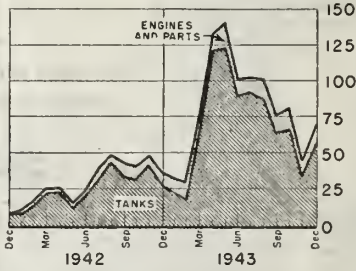
AIRCRAFT



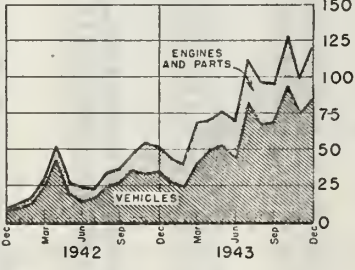
ORDNANCE



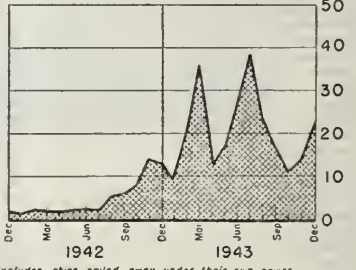
TANKS



MOTOR VEHICLES



WATERCRAFT



Excludes ships sailed away under their own power

*Lend-lease exports of industrial items*

[Monthly in thousands of dollars]

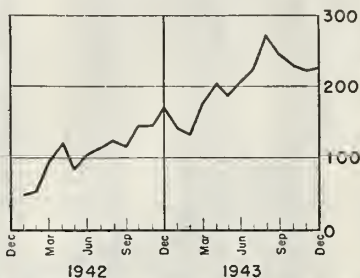
	Machinery and tools	Iron and steel	Nonfer- rous metals	Petroleum products	Miscella- neous ma- terials and manufac- turers	Total
1941—April.....					35	35
May.....	2		497	69	334	902
June.....	428	113	712	265	1,817	3,335
July.....	1,368	1,145	2,611	156	6,029	11,309
August.....	1,088	3,510	1,302	1,477	7,510	14,887
September.....	1,407	5,413	604	6,589	9,257	23,270
October.....	3,914	14,259	3,751	24,522	3,384	49,830
November.....	3,796	8,930	4,602	15,248	10,482	43,058
December.....	6,195	9,620	4,160	15,575	8,133	43,683
1942—January.....	6,654	13,985	5,919	16,686	7,286	50,530
February.....	12,097	14,330	10,097	7,641	9,911	54,076
March.....	21,848	23,343	13,866	18,404	16,822	94,283
April.....	23,709	41,704	15,893	16,964	20,954	119,224
May.....	19,688	30,373	7,206	13,272	18,369	88,908
June.....	21,243	34,065	7,503	20,558	20,527	103,896
July.....	25,486	35,737	6,889	21,138	26,169	115,419
August.....	29,102	43,079	14,108	17,470	21,861	125,620
September.....	24,617	43,901	12,848	13,377	23,580	118,323
October.....	32,749	41,876	17,887	24,690	25,905	143,107
November.....	38,262	39,523	20,197	19,232	27,415	144,629
December.....	41,979	47,953	16,703	24,493	38,707	169,835
1943—January.....	29,949	34,214	18,223	31,755	29,150	143,291
February.....	37,123	27,118	20,371	21,500	27,769	133,881
March.....	47,613	37,164	21,699	23,748	45,829	176,053
April.....	61,563	45,781	25,275	27,544	45,551	205,714
May.....	54,121	49,145	19,224	29,651	36,793	188,934
June.....	66,657	42,824	27,488	31,904	39,864	208,737
July.....	57,645	41,796	15,436	47,555	62,495	224,927
August.....	90,328	46,281	19,764	42,110	73,572	272,055
September.....	78,727	41,838	19,842	44,001	60,281	244,689
October.....	67,211	45,947	22,797	36,995	57,816	230,766
November.....	79,064	36,397	17,827	27,718	61,950	222,956
December.....	73,097	46,504	17,477	29,453	60,554	227,085



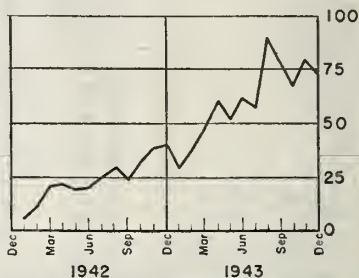
# LEND-LEASE EXPORTS OF INDUSTRIAL ITEMS

## MONTHLY IN MILLIONS OF DOLLARS

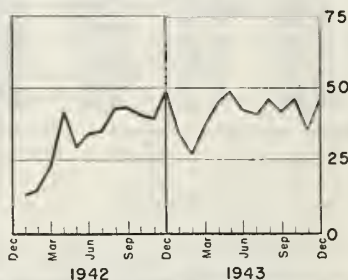
ALL INDUSTRIAL ITEMS



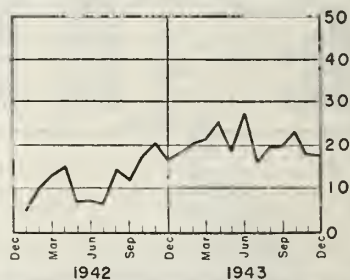
MACHINERY AND TOOLS



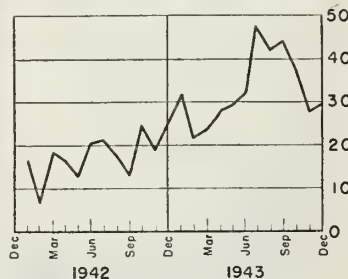
IRON AND STEEL



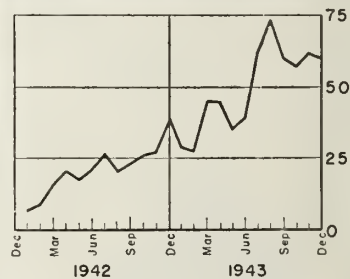
NON-FERROUS METALS



PETROLEUM PRODUCTS

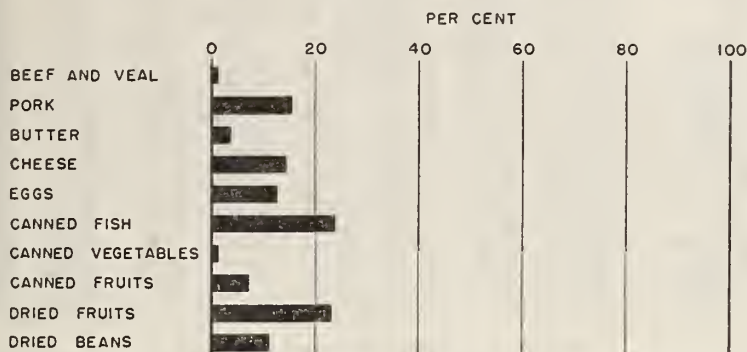


MISC. MATERIALS AND MANUFACTURES



# LEND-LEASE FOOD EXPORTS IN PER CENT OF SUPPLY

YEAR 1943



## LEND-LEASE FOOD SHIPMENTS IN RELATION TO SUPPLY AND TO U.S. CIVILIAN POPULATION

	EXPORTS IN PER CENT OF SUPPLY		OUNCES PER WEEK PER U. S. CIVILIAN	
	YEAR 1943	YEAR 1942	YEAR 1943	YEAR 1942
BEEF AND VEAL	1.3	0.3	0.3	0.1
LAMB AND MUTTON	11.1	0.4	0.3	0.01
PORK	15.4	11.9	5.0	3.3
BUTTER	3.8	0.8	0.2	0.05
CHEESE	14.3	23.6	0.4	0.8
EGGS	12.4	9.6	2.4	1.6
EDIBLE FATS & OILS	16.3	11.3	2.7	1.7
CANNED FISH	26.8	17.3	0.6	0.4
CANNED FRUITS & JUICES	6.9	3.7	0.8	0.4
DRIED FRUITS	20.3	16.3	0.7	0.5
CANNED VEGETABLES	1.5	1.6	0.3	0.2
DRIED BEANS	11.4	5.1	0.8	0.3
DRIED PEAS	9.9	7.6	0.3	0.1
CORN & CORN PRODUCTS	0.1	0.2	0.9	1.4
WHEAT & WHEAT PRODUCTS	1.0	0.4	3.1	1.0

*Lend-lease exports of foods*

[Monthly in thousands of pounds]

	Meat and fish	Milk products	Eggs	Fruits and vege- tables	Sugar	Grain and cereals	Other foods	Total
1942—January.....	93, 176	109, 115	8, 438	93, 480	1, 007	37, 933	239	343, 388
February.....	68, 180	39, 656	6, 714	16, 748	2, 315	1, 863	471	135, 947
March.....	147, 688	29, 144	11, 882	22, 164	24, 905	10, 373	2, 683	248, 839
April.....	199, 184	36, 346	21, 885	37, 856	60, 378	43, 847	1, 616	401, 112
May.....	149, 498	55, 477	24, 244	35, 302	32, 535	86, 366	2, 173	385, 595
June.....	194, 424	58, 961	11, 602	28, 220	14, 985	39, 296	4, 086	351, 574
July.....	177, 144	67, 949	1, 189	28, 746	13, 201	73, 837	2, 077	364, 143
August.....	145, 539	32, 539	6, 846	14, 858	624	49, 769	14, 196	264, 815
September.....	178, 221	117, 901	16, 009	31, 073	23, 601	41, 119	739	408, 663
October.....	188, 548	113, 135	13, 343	39, 895	8, 301	20, 064	1, 814	385, 100
November.....	154, 533	65, 025	12, 069	59, 293	12, 848	27, 852	3, 194	334, 814
December.....	157, 681	55, 977	25, 300	101, 670	21, 455	120, 370	11, 647	494, 100
1943—January.....	181, 342	40, 831	20, 938	65, 540	12, 275	50, 928	22, 902	394, 756
February.....	180, 058	111, 363	17, 028	90, 076	64, 060	75, 652	23, 950	562, 187
March.....	225, 355	109, 518	26, 354	58, 094	134, 370	167, 983	29, 465	751, 139
April.....	188, 650	66, 981	17, 576	70, 558	42, 727	173, 761	24, 248	584, 501
May.....	223, 985	70, 479	14, 218	66, 834	22, 741	127, 769	18, 493	544, 519
June.....	256, 690	75, 362	10, 653	66, 524	101, 175	139, 660	29, 147	679, 211
July.....	254, 196	77, 549	9, 047	46, 934	109, 037	186, 882	8, 613	692, 258
August.....	353, 878	83, 692	12, 116	98, 567	126, 296	103, 327	12, 357	790, 233
September.....	356, 558	127, 384	20, 422	120, 068	170, 258	90, 443	10, 388	895, 521
October.....	263, 542	89, 726	36, 283	109, 242	89, 419	84, 998	11, 336	684, 546
November.....	237, 737	76, 506	19, 111	121, 466	110, 243	73, 710	14, 182	652, 955
December.....	324, 250	132, 855	28, 260	161, 625	163, 868	148, 378	18, 707	977, 973

## UNION OF SOVIET SOCIALIST REPUBLICS

Lend-lease shipments to the Soviet Union in 1943 totaled \$2,888,115,000. More than half of these shipments consisted of planes, guns, and other munitions for the drive that has pushed the Nazis out of a good part of Russia.

Shipments of lend-lease supplies in 1943 were nearly double the volume of the 1942 totals—5,400,000 short tons in 1943 as against 2,800,000 in 1942. In December 1943 shipments reached a new high mark for any single month in the history of the Soviet lend-lease program. At the close of the year 1943 the total dollar value of lend-lease supplies shipped for the 27-month period since the first protocol became operative in October 1941 was \$4,240,585,000, or 27 percent of the total shipped to all nations.

*Lend-lease exports to the Union of Soviet Socialist Republics*

[Thousands of dollars]

	1941	1942	1943	Total
Ordnance and ammunition.....	75	213, 918	368, 304	582, 297
Aircraft and parts.....	35	303, 396	502, 007	805, 403
Tanks and parts.....		176, 804	74, 734	251, 573
Motor vehicles and parts.....		149, 092	406, 004	555, 096
Watercraft.....		11, 020	91, 580	102, 600
Total munitions.....	110	854, 230	1, 442, 629	2, 296, 969
Industrial materials and products.....	435	312, 880	853, 630	1, 166, 945
Agricultural products.....		184, 815	591, 856	776, 671
Total.....	545	1, 351, 925	2, 888, 115	4, 240, 585

The rapid expansion of the battlefront in Russia, with its increasingly complex problems of attack and supply, is reflected in the shipments of war material under the lend-lease program. For example, in 1943 we sent 5,168 planes and 144,453 motor vehicles. In the case of planes, these were more than double the number sent in 1942 and the motor vehicles were nearly double the 1942 total.

We have sent 7,824 planes to the Soviet as lend-lease thus far, a greater number than has gone to any other nation. They constitute the largest single item of munitions on the Soviet shipping list. In value, aircraft shipments represent 20 percent of the total. Nearly all of the planes were of the combat type, principally Bell Airacobra P-39 fighters, Douglas A-20 attack bombers, and North

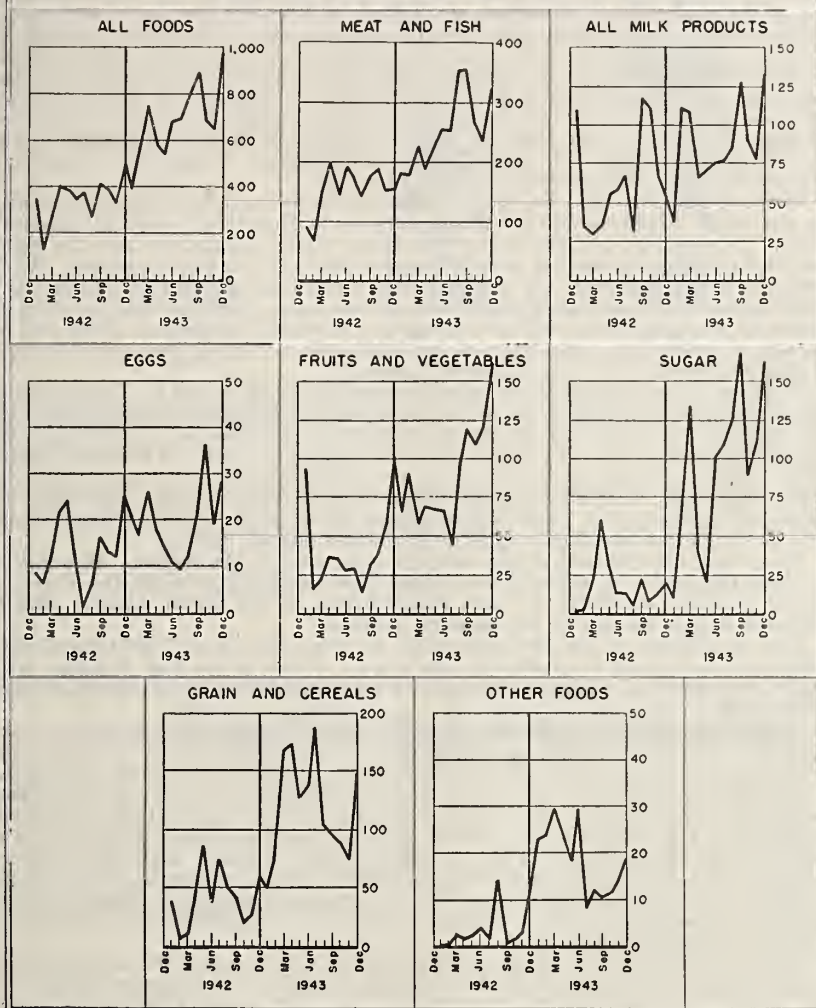


American B-25's. More than 3,000 of these were ferried all the way to the Soviet Union by air, thus saving valuable shipping space for other materials.

Up to January 1, 1944, we had also sent to the Soviet Union about 4,000 tanks, 700 tank destroyers, 173,000 trucks, 33,000 jeeps, 25,000 other military motor vehicles, and about 6,000,000 pairs of boots for the soldiers of the Red Army.

## MONTHLY LEND-LEASE FOOD EXPORTS

QUANTITIES IN MILLIONS OF POUNDS



Foreign Economic Administration

### *Lend-lease exports of military items to Union of Soviet Socialist Republics*

	1941	1942	1943	Total
Planes.....	151	2,505	5,168	7,824
Tanks.....	177	3,023	897	4,097
Motor vehicles.....	8,316	78,964	144,453	231,733

Lend-lease assistance to the Soviet Union in the manufacture of its own war materials and the feeding of its troops and civilian population also was substantially expanded during 1943. Industrial items shipped in 1943 were more than twice the dollar value of the shipments in 1942. Up to January 1, 1944, we had sent some 177,000 tons of explosives to be used in the manufacture of bombs and shells in Soviet factories; 1,350,000 tons of steel, 384,000 tons of aluminum and copper and other nonferrous metals, and \$400,000,000 of industrial equipment, machinery, and machine tools for production of artillery, tanks, planes, and other war weapons.

Coincident with this program, lend-lease is contributing to the solution of the Soviet problems of fuels, oils, and rubber, which are vital to the maintenance of her military equipment in action, production of tires for her planes and motor vehicles, and the expansion of her munitions production. The loss of millions of acres of farmland to the enemy invaders curtailed the quantity of grain available to the Soviet production of synthetic rubber and explosives. Since this is the major source of Soviet rubber, and since the food requirements of the Soviet grew with the activity on the war fronts, the problem of grain for rubber or for food became more acute. In 1943 we shipped 31,000,000 gallons of alcohol to the Soviet, most of which will be used for the manufacture of synthetic rubber and explosives. The grain will thus be saved for food.

We have sent some 740,000 tons of aviation gasoline and lubricating oils needed by the Soviet Air Force and the troops engaged in ground fighting on the eastern front. In addition, 145,000 tons of American refinery equipment are now being installed in 6 Soviet refineries under the supervision of American engineers. When completed, the refineries will produce large quantities of aviation gasoline and other refined products from Russia's own oil resources. Also, in 1943, we shipped used and new machinery sufficient to equip a complete tire factory which will be capable of producing a minimum of 1,000,000 military truck tires annually from Russia's synthetic and natural rubber supplies.

Problems of food supply grew serious as the Red Army forced the Nazis farther along the way to the border. To supplement the domestic production in 1943 we nearly trebled the food shipments of 1942. Up to January 1, 1944, we had sent 2,250,000 tons of food to the Soviet, consisting principally of wheat and flour, dried peas and beans; canned, cured, and dehydrated meat; sugar; powdered milk; dried eggs; dehydrated vegetables and lard; pork fat and vegetable oils, including oleomargarine. Our food shipments to Russia in 1943 constituted about 3½ percent of our total food supply in that same period.

More than 580,000 tons of fats and oils have gone to the Soviet. In addition to these fats and oils, we have sent some 50,000 tons of butter to the Union of Soviet Socialist Republics to meet requirements of the Soviet Army. This is intended largely for use by recuperating soldiers.

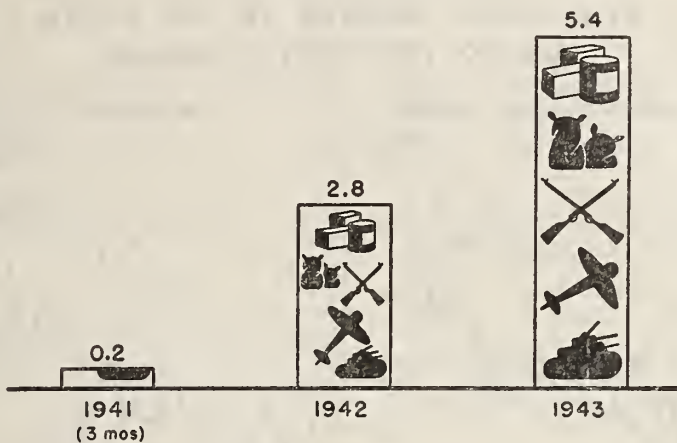
Also, in addition to the food shipments, we have sent about 9,000 tons of seeds which are to be used in producing new crops. Much of the best Russian farm lands, originally lost when the German armies invaded the country, have now been recaptured.

Developments in transportation during the year helped greatly to solve the problems of getting lend-lease materials to the Soviet Union. The volume movement that was set by United States Army engineers as their goal on the Trans-Iranian Railroad, at the time lend-lease in 1942 made supplies available for the improvement of its trackage, development of terminals and other improvements, was attained in 1943. Along this road war materials arriving in the Persian Gulf on their way to the Union of Soviet Socialist Republics are now moving up to the Caspian and then into Russia, supplementing the direct water routes. The success of the United Nations submarine fleets in curbing Nazi sea raiders also resulted in the reduction of losses of tonnage from 12 percent in 1942 to 1 percent in 1943.

As the Soviet armies steadily push back the Nazi forces on the eastern fronts we can see how lend-lease as well as Russian, English, and Canadian supplies in the hands of the Soviet soldiers are pooled and used to break the power of our common enemy. An American bazooka or Douglas A-20 as well as a British Spitfire or a Russian Stormovik plane fought by a Russian soldier or airman are hastening the day of victory and saving the lives of our boys as well as those of our allies.

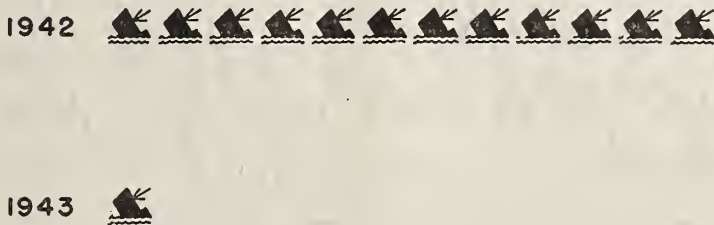
# LEND-LEASE EXPORTS TO THE U.S.S.R.

MILLIONS OF TONS



FOREIGN ECONOMIC ADMINISTRATION

## SINKINGS OF SHIPS CARRYING LEND-LEASE GOODS TO THE U.S.S.R.



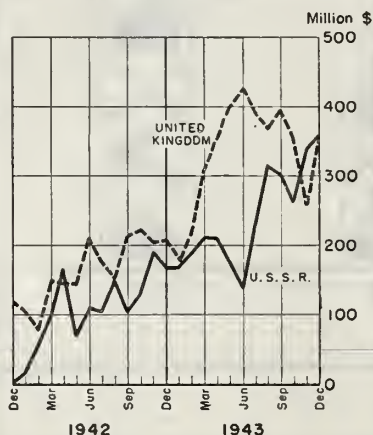
EACH FIGURE REPRESENTS 1% OF SHIPS SAILED

FOREIGN ECONOMIC ADMINISTRATION

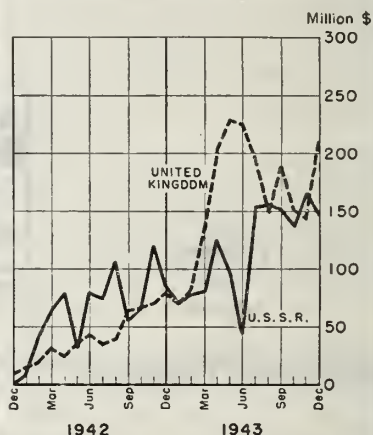


# LEND-LEASE EXPORTS TO THE U.S.S.R. AND TO THE UNITED KINGDOM

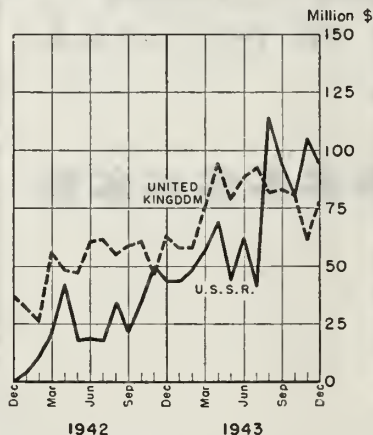
TOTAL LEND-LEASE EXPORTS



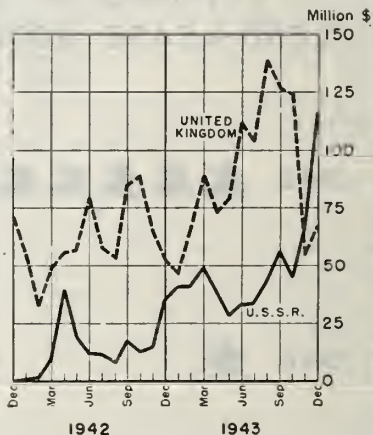
MUNITIONS



INDUSTRIAL MATERIALS AND PRODUCTS



AGRICULTURAL PRODUCTS



## UNITED KINGDOM

Coincident with the appointment of ranking officers to direct the grand offensives in Europe, shipments under lend-lease of planes, tanks, ammunition, and other war supplies to the United Kingdom have increased sharply. Shipments in 1943 totaled \$4,016,612,000, double the 1942 figure. This carried the total to the United Kingdom from March 1941 through December 1943 to \$6,594,550,000.

*Lend-lease exports to United Kingdom*

[Thousands of dollars]

	1941	1942	1943	Total
Ordnance and ammunition.....	30,761	250,400	629,045	910,206
Aircraft and parts.....	13,330	275,752	606,100	895,182
Tanks and parts.....	10,521	35,998	473,830	520,349
Motor vehicles and parts.....	14,559	61,950	185,282	261,791
Watercraft.....	6,003	45,906	105,394	157,303
Total munitions.....	75,174	670,006	1,999,651	2,744,831
Industrial materials and products.....	165,356	604,218	935,527	1,705,101
Agricultural products.....	332,090	731,094	1,081,434	2,144,618
Total.....	572,620	2,005,318	4,016,612	6,594,550

The concentration of tanks, planes, bombs, ordnance, ammunition, and other munitions in the year's program is striking. While the totals show increases of about 50 percent in industrial items and agricultural products over the previous year's figures, shipments of munitions increased nearly 200 percent. This increase was noted in every item of munitions, but most strikingly in the movement of tanks. Ordnance and ammunition remained the largest single item on the munitions list, however.

We have sent to the United Kingdom thousands of planes, tanks, trucks, and other military motor vehicles. In addition, we sent vast quantities of materials to be fabricated into planes, bombs, and other munitions and weapons in the factories of the United Kingdom. Meanwhile, shipments of food and agricultural products, a major factor in our United Kingdom lend-lease program, also increased.

Lend-lease has supplied substantial quantities of materials vital to the British output of planes, bombs, and other munitions to help level the industrial cities of Germany and to build up the stores for invasion. Up to January 1, 1944, we had shipped about 5,400,000 tons of iron and steel and 512,000 tons of nonferrous metals, much of which is being hurled against the enemy in bombs and explosives to break the Nazi air power and its other war-making strength. We have also sent 43,000,000 pounds of cotton lint, for use in the manufacture of explosives.

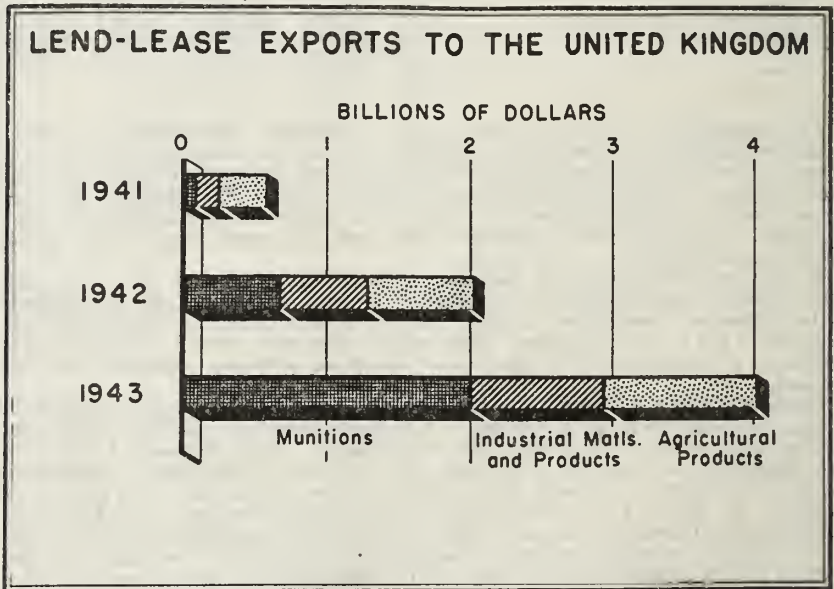
To supply the airplanes to destroy German industry or level the defenses of the French invasion coast we have sent 125,000,000 barrels of petroleum products. Meanwhile, for the production of food for the troops both of Britain and of the United States on duty in the United Kingdom and the thousands of workers engaged in the output of war materials, we have sent more than 1,000,000 tons of fertilizers. The British have increased their food production from 40 to 70 percent of consumption by converting their parks and lawns, and other land heretofore lying idle. Up to January 1 we had sent food and other agricultural products valued at \$2,150,000,000.

Revisions in the master agreement covering our lend-lease program to Britain are constantly under study. Changes have already been made which reflect changes in the over-all war picture. Several types of cases will illustrate the changes which have been made. In November 1943 it was agreed that capital goods, such as machine tools, petroleum-refinery equipment, pneumatic tools, and other industrial equipment, because these have a reasonably long life and would now probably have a post-war as well as a war value, would no longer be on the list of lend-lease articles. Purchases of such materials by the British in this country henceforth will be paid for in cash by them. Another agreement has been revised whereby Icelandic fish heretofore supplied to the United Kingdom as

lend-lease by the United States will be removed from the lend-lease list. The British now will purchase the fish direct from Iceland. The original arrangement was designed to back up this Government's undertaking to Iceland in return for permission to establish American bases on Icelandic property, and also to help meet the problem of vital food shortage in the United Kingdom.

It has also been agreed that aluminum used in the fabrication of materials sent by the United States to the United Kingdom as lend-lease is to be returned to this country. Under this agreement, the Dominion of Canada will ship aluminum ingots to the United States to offset this withdrawal from United States supplies.

The fighting man must have his ammunition, his food, and his tobacco. Under lend-lease we have sent 443,000,000 pounds of tobacco to the United Kingdom up to the end of the year. Prior to April 15, 1943, all tobacco sent to the United Kingdom from the United States moved under lend-lease. Since then all tobacco for civilian use has been paid for in cash by the British. We expect to ship 80,000,000 pounds of tobacco under lend-lease annually, for the use of the military forces exclusively. We expect to ship 129,000,000 pounds additional for the use of the civilian population, but we will be paid for this in cash.

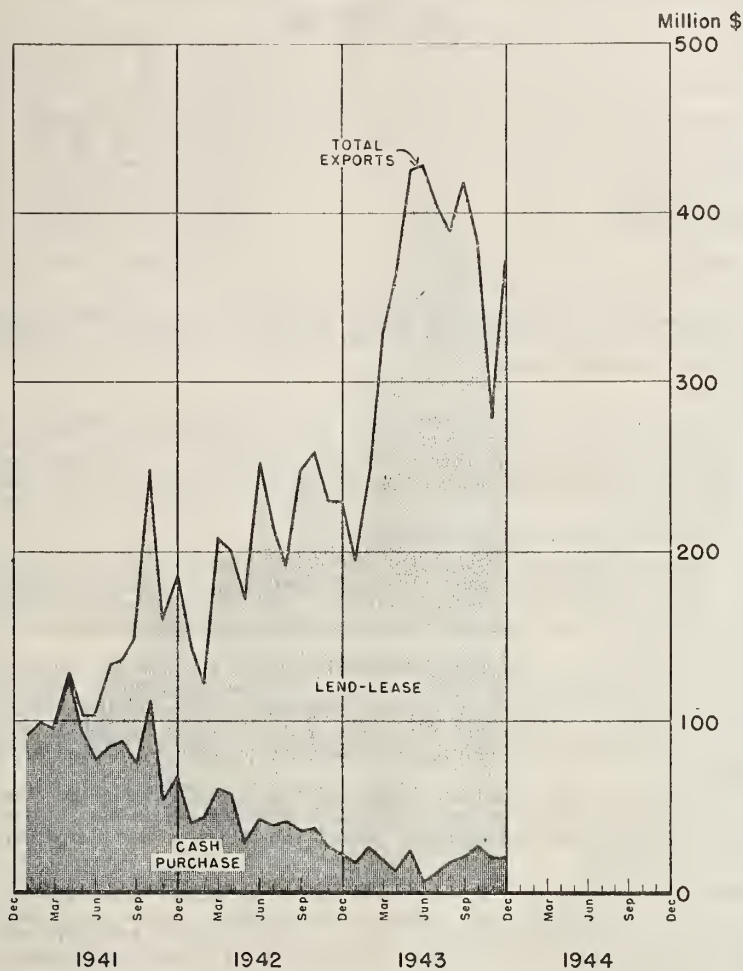


Foreign Economic Administration

The combined air offensives of the United States and Royal Air Forces in crushing the Nazi air power have dramatically demonstrated that the planes and bombs lend-leased for the use of the Royal Air Force and the raw and fabricated materials also lend-leased to produce more planes and bombs in the United Kingdom have done their full part in hastening the day of victory. The grand offensives yet to come will more amply demonstrate that lend-lease is one of the weapons of victory from the United Kingdom as well as in the other battle areas.



## EXPORTS TO THE UNITED KINGDOM



## AFRICA, MIDDLE EAST, AND MEDITERRANEAN AREA

The importance of Africa, the Middle East, and the Mediterranean area in the war against Germany is reflected in the accelerated rate of lend-lease shipments to this area. As the following table shows, in the first 21 months of the lend-lease program, exports to Africa, the Middle East, and Mediterranean area amounted to \$788,000,000; in the next 12 months—during the year 1943—they were over \$1,600,000,000.

*Lend-lease exports to Africa, Middle East, and Mediterranean area*

[Thousands of dollars]

	1941	1942	1943	Total
Ordnance and ammunition.....	33,268	173,618	333,430	540,316
Aircraft and parts.....	2,022	114,590	290,286	406,898
Tanks and vehicles.....	41,330	164,463	564,447	770,240
Watercraft.....	1,820	10,794	22,158	34,772
Total munitions.....	78,440	463,465	1,210,321	1,752,226
Industrial materials and products.....	14,683	194,138	272,620	481,441
Agricultural products.....	2,792	34,423	103,713	140,928
Total.....	95,915	692,026	1,586,654	2,374,595

Three-fourths of the exports to Africa, the Middle East, and Mediterranean were finished munitions, 20 percent industrial materials and products, and 6 percent agricultural products.

*Munitions.*

The lend-lease goods we have sent to this area have consisted mainly of planes, tanks, and other finished munitions, which have aided the British, French, Australians, Poles, and men of other nationalities fighting in Allied ranks to gain important victories against the Nazis in Egypt, Libya, Tunisia, Sicily, Sardinia, Corsica, and Italy.

*Munitions and military aid to the French.*

Next to the British, the French have been the largest recipients of lend-lease aid in Africa. Through December 1943 total lend-lease shipments to Algeria and French Morocco amounted to \$322,000,000. This does not include goods consigned to United States commanding generals for subsequent transfer to French military forces.

Lend-lease goods have equipped many divisions of the new French Army recruited in French North and West Africa from the local population and refugees from the homeland. Some of these forces participated in the Tunisian campaign; others assisted in the liberation of Corsica; and still others are joined with our forces and British forces in fighting with magnificent valor in the difficult battle for Rome.

We have also, under lend-lease, begun the training of a French Air Corps in the United States, and provided repairs and other services in our shipyards to the French Fleet that subsequently joined the Allies in Mediterranean and Atlantic operations.

*Civilian aid to the French.*

In addition to arms, we have provided vital civilian supplies under lend-lease to French North and West Africa. Through December 31, 1943, 375,000 tons of such civilian supplies were shipped to French North Africa and 57,000 tons to French West Africa.

These supplies are being paid for by the French authorities at our full landed costs. So far, \$62,250,000 has been received on account.

Our shipments of civilian goods to French Africa in recent months have consisted largely of iron and steel for the maintenance of essential railways and port facilities; machinery and parts for utility plants; tractors and other farm implements; glass and paper; and foodstuffs, such as sugar and milk, needed to sustain the health of the local population and to make it possible for it to mine and produce strategic and other essential supplies to aid the Allied war effort.

Restoration of the industries of French North Africa is progressing. For example, we are assisting in getting into the most effective production an iron

mine in Ouenza that produces high-grade ore needed by the United Nations. We are also aiding in putting back into production the phosphate mines that were badly damaged during the fighting in Tunisia.

As a result of the rapid revival of agriculture, French North Africa is supplying substantial amounts of foodstuffs, especially cereals and vegetables, to our forces in the Mediterranean area.

## CHINA

From the very beginning the controlling factor in getting aid to China has been transportation. With all of China's ports closed, the Burma Road was originally the artery through which lend-lease goods flowed into China, and early shipments of lend-lease goods consisted largely of trucks, motor fuel, and materials for the development of this highway. After the road was closed and it became necessary to revise completely our plans for getting aid to China, the problem was still one of transportation, although of greatly increased magnitude.

Lend-lease aid to China has consisted of the following:

1. The development of the air route from Assam to Kunming and other points in China, including the furnishing of cargo planes, building of air fields, warehousing facilities, etc.

2. Training of Chinese fighter pilots and the furnishing of combat planes for operations inside China.

3. The training and equipment of Chinese troops in India for fighting ahead of the United States Army Engineers who are constructing the new Ledo Road, which will connect with existing portions of the old Burma Road.

Material transported into China by air for the equipment of Chinese troops being trained in Yunnan Province.

4. Material for Chinese arsenals transported into China by air.

5. Material also transported into China by air for Chinese and United States Air Forces under General Chennault.

6. Material stock-piled in India ready to be moved as soon as land routes are reestablished.

The value of goods flown into China each month is approximately \$20,000,000. About \$14,000,000 of this is cargo and about \$6,000,000 is planes.

Because the operations of Chinese and American troops in the China-Burma-India theater are so closely tied together, all goods flown into China, whether for use by the Chinese or our own forces, are included in the total of aid to China.

In January tonnage of goods flown into China was 15 times that of a year ago—and the amount is increasing.

The total of goods transferred to China through December 31, 1943, is as follows:

Ordnance.....	\$15, 585, 000
Ammunition.....	22, 203, 000
Aircraft and parts.....	77, 843, 000
Motor vehicles and parts.....	26, 467, 000
Watercraft and parts.....	4, 447, 000
<b>Total munitions.....</b>	<b>146, 545, 000</b>
Machinery.....	4, 793, 000
Metals.....	10, 302, 000
Petroleum products.....	2, 566, 000
Miscellaneous industrial items.....	11, 291, 000
<b>Total industrial items.....</b>	<b>28, 952, 000</b>
Agricultural products.....	79, 000
<b>Total goods transferred.....</b>	<b>175, 576, 000</b>
Services rendered.....	25, 419, 000
<b>Total aid.....</b>	<b>200, 995, 000</b>

In addition, goods valued at \$191,731,000 have been consigned to the United States commanding general, and most of these have been, or will be, transferred to China. These goods consist of the following:



Ordnance.....	\$40,381,000
Ammunition.....	77,871,000
Tanks and parts.....	42,197,000
Motor vehicles.....	18,417,000
Miscellaneous military equipment.....	12,865,000
<b>Total.....</b>	<b>191,731,000</b>

## INDIA

Lend-lease exports to India from March 11, 1941, to December 31, 1943, totaled \$849,452,000. As shown by the following table, exports in 1943 were 70 percent greater than the combined shipments in 1942 and 1941.

*Lend-lease exports to India*

[Thousands of dollars]

	1941	1942	1943	Total
Ordnance and ammunition.....	5,317	85,922	104,335	195,574
Aircraft and parts.....	36	17,949	89,871	107,856
Tanks and parts.....	1,480	59,843	36,828	98,151
Motor vehicles and parts.....	7,467	39,603	82,776	129,846
Watercraft.....	68	1,038	21,482	22,588
<b>Total munitions.....</b>	<b>14,368</b>	<b>204,355</b>	<b>335,292</b>	<b>554,015</b>
Industrial materials and products.....	2,407	70,836	176,940	250,183
Agricultural products.....	225	22,538	22,491	45,254
<b>Total.....</b>	<b>17,000</b>	<b>297,729</b>	<b>534,723</b>	<b>849,452</b>

Our lend-lease policy toward India has been determined by the importance of India's strategic and geographic position in the far eastern part of the war. India has been a major war supply center for the East. She has provided the British armies in the East with small arms and other munitions, and with clothing, shoes, tents, parachutes, and other textile products. India has the best network of railroads in Asia. It offers almost the only remaining supply route to China and is the base for the reconquest of Burma and for some of the offensives against Japan. Finally, India is a major source of strategic materials essential to the war effort of the United States.

*Munitions.*

Lend-lease exports of guns, ammunition, and other munitions to India, for the British and Indian Armies and Navies, through December 31, 1943, amounted to \$554,000,000. In addition, we sent a large volume of explosives and ammunition, lubricating greases and oils, and other items required by modern air, ground, and naval forces.

With the help of the munitions and other materials lend-leased by the United States, India has become a vast military base. Indian troops, recruited and trained in India, have seen service on widely-scattered fronts in this war. They helped to defend Malaya, and many were captured by the Japanese in the fall of Singapore. They fought with the British Eighth Army in the deserts of Egypt and Libya and helped to drive the Nazis out of north Africa.

At present, Indians, equipped in part with lend-lease weapons, are fighting under Lord Mountbatten on the Arakan front in Burma, and beside the British on the rugged slopes of Italy. The greater part of the British and Indian troops in India, however, are still to see fighting in the offensives to come.

*Industrial materials and products.*

From the beginning of the lend-lease program to December 31, 1943, we shipped to India \$250,000,000 of industrial materials and products, and \$45,000,000 of agricultural products.

The industrial items have been of two kinds: (1) Those necessary to the development of India as a great military base, and (2) those required by India's expanding production of raw materials and munitions for the United Nations.

Of primary importance have been the transportation, communications and construction equipment shipped to India. In order to enable the Indian railways

to carry the heavy additional burdens imposed by the war, we have provided locomotives and freight cars. Some of these replaced locomotives and cars sent from India to Egypt and the Near East in the early part of the war, when the Nazis threatened to capture Suez and break through to the Indian Ocean.

We have furnished 40,000 trucks to supplement the railway system in transporting strategic materials and military supplies over the vast stretches of India. In addition, we have provided cranes, lighters, and stevedoring equipment to move war supplies in and out of India's crowded harbors.

In order to facilitate the building of air bases, barracks, and military roads, we have sent items which India could not furnish or were in short supply there. Among these have been construction machinery, cement-making machinery, and lumber.

India is fast becoming a great United Nations arsenal as well as military base. India produces small arms and small arms ammunition, bombs, torpedoes, armored cars, ordnance carriers, machine guns, artillery, ammunition, and other military items. We have provided under lend-lease some of the machine tools and raw materials, such as steel, copper, aluminum, and zinc, which have helped India to expand her munitions output. Lend-lease exports of machine tools to India have amounted to \$10,000,000, and currently India is buying all of its machine tools in this country for cash.

India's exports of raw materials have been increasingly important in the United Nations war effort. India is now our sole source of jute, used for making burlap bags. She is one of the principal suppliers of mica, which is essential to the production of radio equipment for the armed forces. Other important materials imported from India are manganese, shellac, talc, beryl, chromite, and tantalite. In order to increase the production of these items we have furnished under lend-lease a variety of industrial tools as well as mining and pumping machinery.

The lend-lease aid we have sent to India has assisted, and will assist, the United Nations in gaining victories over the Axis. But this aid has not flowed in one direction. India, too, has supplied what she can for the common war effort. We have received substantial reverse lend-lease aid from India, as shown in another section.

#### AUSTRALIA AND NEW ZEALAND

Lend-lease exports to Australia and New Zealand from March 11, 1941, to December 31, 1943, amounted to \$803,893,000. Shipments to Australia accounted for about four-fifths of the total, and exports to New Zealand for one-fifth. As the following table shows, exports to these areas were about 80 percent greater in 1943 than combined shipments in 1942 and 1941.

#### *Lend-lease exports to Australia and New Zealand*

[Thousands of dollars]

	1941	1942	1943	Total
Ordnance and ammunition.....	458	60,593	57,347	118,398
Aircraft and parts.....	6,998	44,128	122,588	173,714
Tanks and parts.....	454	40,311	13,781	54,546
Motor vehicles and parts.....	341	28,752	103,332	132,425
Watercraft.....		1,384	2,517	3,901
Total munitions.....	8,251	175,168	299,565	482,984
Industrial materials and products.....	3,175	91,977	198,344	293,496
Agricultural products.....	3,055	6,935	17,423	27,413
Total.....	14,481	274,080	515,332	803,893

#### *Munitions aid.*

The lend-lease supplies sent by the United States have helped equip the Australian and New Zealand forces and to make Australia and New Zealand major bases for operations against the Japanese.

The bulk of our shipments to these areas has consisted of ordnance and ammunition, aircraft and parts, and motor vehicles and parts. With the aid of this equipment, the Australians and New Zealanders have assisted our forces in the offensives in the southwest Pacific, which began in the summer of 1942 and have resulted in driving the Japanese out of the Solomons, parts of New Guinea and New Britain, and nearby islands.

*War production aid to Australia.*

In addition to finished munitions, we have made available to Australia a substantial amount of industrial materials and products.

The war has greatly taxed the overland transportation facilities of Australia and curtailed coastwise merchant shipping. To ease this burden, we have provided under lend-lease about 20,000 trucks and a large volume of petroleum products.

We have also furnished machinery and tools to expand Australia's war industries as well as raw materials for the fabrication of munitions and other essential products. Thus, the United States has provided such items as special steels, not produced in Australia, for the manufacture of guns and shells, sulfur for explosives and metal production, and fabricated aluminum for airplanes. Substantial amounts of cotton textiles have been provided for the manufacture of uniforms for the armed forces and clothing for war workers. Some clothing made with American textiles has been furnished by Australia to our troops under reverse lend-lease.

*Agricultural aid to Australia.*

Australia, like New Zealand, is an important source of food for our own and other United Nations' forces. To meet the additional requirements upon her, Australia has been in need of agricultural materials and equipment. We have, therefore, sent under lend-lease seed and fertilizer, agricultural implements, including tractors and other machinery, tinplate and equipment for canning plants, and pulp and paper for making cartons and wrapping material. With the help of these items, Australia has been able to provide nearly all of the food required by our armed forces stationed there and in nearby islands. In addition Australia has maintained its exports of meat, cereals, and other agricultural products to the United Kingdom.

The lend-lease aid we have furnished, by enabling Australia to increase her output of food and munitions, has lessened the strain on our own production and on the shipping resources available to the United Nations. The victories of Allied arms have been immeasurably helped as a result.

*Agricultural aid to New Zealand.*

New Zealand is primarily an agricultural country, and like Australia, has provided important amounts of food to our and the other United Nations' forces. Currently, New Zealand is supplying about 80 percent of the food required by our military forces stationed there.

To assist New Zealand in expanding her agricultural production, we have sent under lend-lease, farm machinery, equipment for food-processing plants, tin plate for canning, and paper and other items for containers and wrappers. We have also provided several thousand trucks as well as petroleum products for powering and lubricating them. The trucks have been used to move military and essential civilian supplies.

As shown in the section on reverse lend-lease aid, New Zealand has given us increasing amounts of aid.

## REVERSE LEND-LEASE

The principal benefit which the United States is receiving from its lend-lease program is the effective use in the common war effort of each lend-lease article—military, agricultural, and industrial—which has been made available to our allies. Lend-lease is an effective method of waging war—of saving lives and time. Reverse lend-lease, the goods and services which we are receiving from our allies without payment by us, is a substantial additional benefit which the United States derives from its lend-lease program, as well as an efficient means of supplying the growing needs of America's armed forces abroad and our industrial economy at home. Our allies supply us with what they reasonably can under reverse lend-lease. Clearly, if they could supply us with more they would not need as much under lend-lease.

Reverse lend-lease has been increasingly extended to all of the theaters of war in which our allies are in a position to supply the requirements of America's armed forces. In the United Kingdom and the British Colonial Empire, Australia, New Zealand, India, French North and West Africa, the Belgian Congo, the Netherlands West Indies, and other areas, American military and naval forces, Red Cross, and merchant marine have received virtually every type of supply and service which is available from domestic production.

The cataloging of the supplies and services which have been transferred under reverse lend-lease would require thousands of pages and list hundreds of thousands



of items. They include all types of construction facilities—airfields and air bases, barracks, hospitals, warehouses and storage depots, ships and port facilities; foodstuffs and clothing and other quartermaster issues; all grades of petroleum products; munitions and military and naval stores; land, sea, and air transportation of personnel and freight; telegraph and telephone communications and postal facilities; civilian labor and miscellaneous services. In addition our military and naval vessels and merchant marine fleet receive oil bunkers, ship stores and supplies and stevedoring and port expenses as reverse lend-lease in British ports and British areas throughout the world.

Recently, the scope of reverse lend-lease has been expanded to include raw materials, commodities, and foodstuffs purchased by United States Government agencies in the United Kingdom, the colonies and Southern Rhodesia for export to the United States. Similar arrangements have been made with the French Committee of National Liberation to supply as reverse lend-lease strategic materials imported into the United States from French North and West Africa. By the terms of these agreements, the United States is now receiving without payment such vital materials as rubber, mica, chrome, benzol, sisal, and tantalite, and such short-supply foodstuffs as tea, cocoa, and vegetable oils. The shipping charges for the raw materials and foodstuffs from British Commonwealth countries are also being made available as reverse lend-lease.

In obtaining information with respect to the monetary value of reverse lend-lease, a number of problems have been encountered. Manpower shortages prevent foreign governments from maintaining complete and detailed records; reports from combat areas are delayed and may not be received at all; differentials in price levels do not always permit an adequate translation of costs in terms of foreign currencies into dollars. Despite these difficulties, however, several foreign governments have made available statements of the cost to them of providing reverse lend-lease assistance and our armed forces have prepared incomplete reports and estimates of the value of the aid which they have received in other areas.

The value of reverse lend-lease thus far reported is about \$2,095,000,000.

Since July 1 of last year, the issuing departments of the British Government have been providing statements in considerable detail, although still incomplete, of the monetary value of the aid which they are supplying to American forces. The following table, showing a part of the issues of equipment by the Air Ministry during the period July 1–September 30, 1943, indicates the method of reporting now followed in the British Isles:

Complete aircraft.....	\$1, 144, 000
Parachutes and dinghies.....	592, 000
Airplane engines.....	564, 000
Electrical and wireless equipment.....	1, 380, 000
Instruments and oxygen apparatus.....	564, 000
Armament.....	308, 000
Bombs, pyrotechnics, and ammunition.....	1, 000, 000
Airframe and engine spares.....	1, 448, 000
Vehicles.....	864, 000
Ground and unit equipment.....	244, 000

Except for shipping services, the British Government's statement applies only to supplies received and services rendered within the United Kingdom. In addition, the British Government is extending aid to American forces in other theaters of war in north Africa, Sicily, and Italy, Nigeria, the Gold Coast, and Kenya, the Middle East, Iceland, Fiji, and the Pacific Islands. Full and complete records of the value of aid transferred in these theaters may never be available, particularly where transfers have occurred in the midst of combat. Insofar as records are available, reports are now being prepared by His Majesty's Government.

The Australian Government estimates its expenditures for reverse lend-lease through September 30, 1943, at \$266,203,000 as follows:

Stores and provisions.....	\$63, 924, 000
Technical equipment.....	6, 314, 000
Motor transport.....	20, 923, 000
Aircraft stores and equipment.....	24, 212, 000
General stores.....	35, 878, 000
Transportation and communication.....	23, 427, 000
Shipping.....	12, 661, 000
Works and buildings.....	76, 903, 000
Miscellaneous.....	1, 961, 000

Australia is one of the world's greatest food-producing nations. In addition to large supplies of foodstuffs which are being sent to the United Kingdom and other British areas, American troops have received more than 500,000,000 pounds of foodstuffs from Australia as reverse lend-lease through the end of 1943. The major items include:

Beef.....	pounds..	75, 577, 000
Pork.....	do.....	37, 788, 000
Lamb.....	do.....	12, 596, 000
Bread and cereals.....	do.....	100, 831, 000
Emergency rations.....	do.....	28, 414, 000
Fruits and vegetables.....	do.....	97, 442, 000
Canned foods.....	do.....	91, 158, 000
Butter.....	do.....	12, 429, 000
Sugar.....	do.....	28, 562, 000
Eggs.....	dozen..	32, 060, 000

Australia's effort is rapidly increasing in the whole range of supplies and services which fall under reverse lend-lease. The Dominion's Finance Minister has estimated that Australia's expenditures for reciprocal aid during the fiscal year ending June 30 will be \$325,000,000, more than one-sixth of the entire internal war budget. The monthly rate of reverse lend-lease from Australia now approximates \$30,000,000 and is approaching the direct lend-lease aid which the United States currently sends to the Dominion.

The first American troops landed in New Zealand in June 1942. A month earlier, the New Zealand Government undertook its first expenditures in preparation for the arrival of our forces. Through September 30, 1943, the New Zealand Government estimates that it has expended \$76,377,000 for the supply, maintenance, and equipment of American forces throughout the south Pacific area. This program has included expenditures of \$35,019,000 for building projects in New Zealand and the surrounding islands and for the construction of ships for the use of the American commander. The cost of foodstuffs and supplies and services other than building projects, has been \$41,358,000.

During 1944, the New Zealand Government expects to spend more than \$50,000,000 for foodstuffs alone, as the strength of American forces in the Pacific area rapidly increases. To make this program possible the New Zealand Government is diverting large shipments of foodstuffs from those peacetime markets in which they are ordinarily sold for cash. Today, the value of the reverse lend-lease which we receive from that Island of 1,400,000 people does not fall far short of the value of the direct lend-lease which we are able to send.

The Government of India has not yet provided a statement of its expenditures for reverse lend-lease, but incomplete reports supplied by the United States Army estimate aid received as of September 31, 1943, at \$78,822,000 as follows:

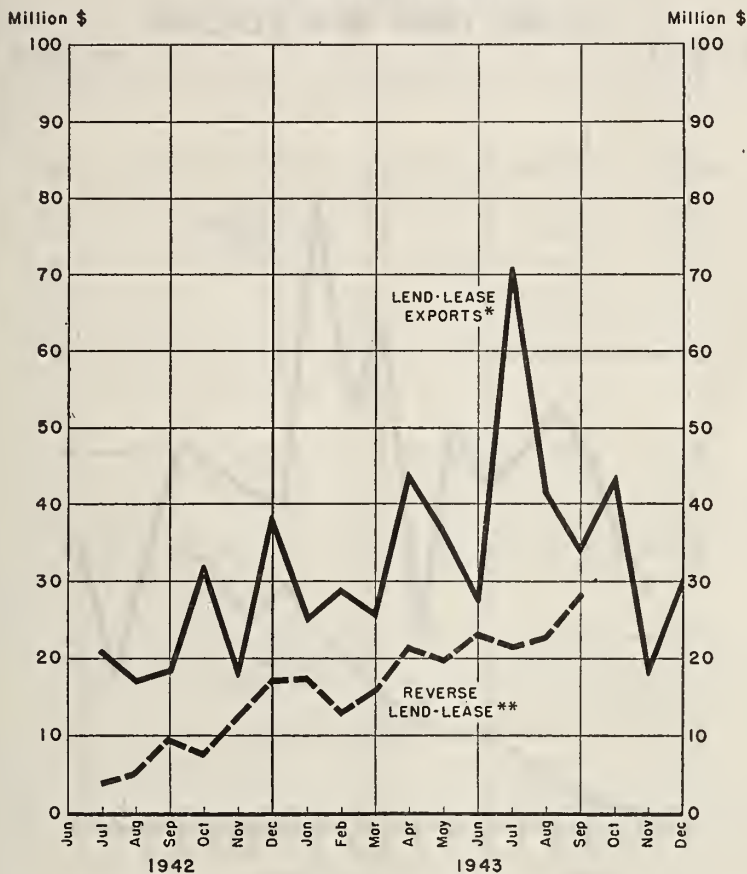
Military stores and equipment.....	\$7, 690, 000
Transportation and communication.....	4, 566, 000
Petroleum products.....	24, 031, 000
Construction, rentals, and utilities.....	36, 824, 000
Subsistence.....	5, 711, 000
Total.....	78, 822, 000

Reverse lend-lease aid thus far reported as received from the British Commonwealth of Nations amounts to \$2,095,000,000. Based upon expenditures in the third quarter of 1943, the annual rate of reverse lend-lease from British Empire countries is approximately \$2,000,000,000 without taking into account transfers in Colonial theaters of war or the shipments of raw materials, commodities, and foodstuffs to the United States.

Our other allies have not been in a position to contribute on the same scale. Some, like Russia and China, have required all of the production of their factories and fields for their own needs. Others have seen their homelands overrun by the enemy. Still others are too far from the fighting fronts effectively to supply American forces. But each is contributing from its resources to the extent that it can. The Government of the Netherlands pays as reverse lend-lease all of the expenses of American forces in Surinam and Curaçao, the only portions of the empire not under enemy occupation. In the Belgian Congo, American forces are receiving barracks, transportation, and supplies and services as reverse lend-lease. The French Committee of National Liberation has provided reverse lend-lease unofficially estimated at more than \$30,000,000 to our troops in French North and West Africa.

As new needs arise reverse lend-lease is taking new forms and is including new areas. Our allies are faithfully discharging their undertaking "to contribute to the defense of the United States of America and the strengthening thereof" and to "provide such articles, services, facilities or information as they may be in a position to supply."

### LEND-LEASE AID TO AND FROM AUSTRALIA



\*Exports on merchant vessels from U.S. to Australia. Excludes shipments on Army transports, cost of shipping, production facilities and other services.

\*\*Official estimate of total cost to Australia of reverse lend-lease to U.S.





## COMPARATIVE WAR EXPENDITURES

The world-wide pattern of lend-lease and reverse lend-lease is an essential part of the war effort of the United Nations. A pool of resources has been created into which contributions are placed and from which withdrawals are taken as the demands of the many fighting fronts dictate. Each of the United Nations is contributing from its resources to the defeat of the Axis Powers. Their contributions differ in kind, but they do not differ in spirit—for each gives all that it has.

The war contribution of some of our Allies has of necessity taken the form of direct use of their own production and of those munitions and supplies which have been made available to them by their less hard-pressed Allies. Russia and China, fighting to throw back the invader from their own territories, have found a magnificently effective use for all of the guns and tanks and planes that they could produce or that their Allies could send to them. The United States and the United Kingdom, farther removed from the zones of actual combat, have made their contribution by turning over a part of their supplies to other United Nations, while retaining the greater part of their production for the use of their own armed forces.

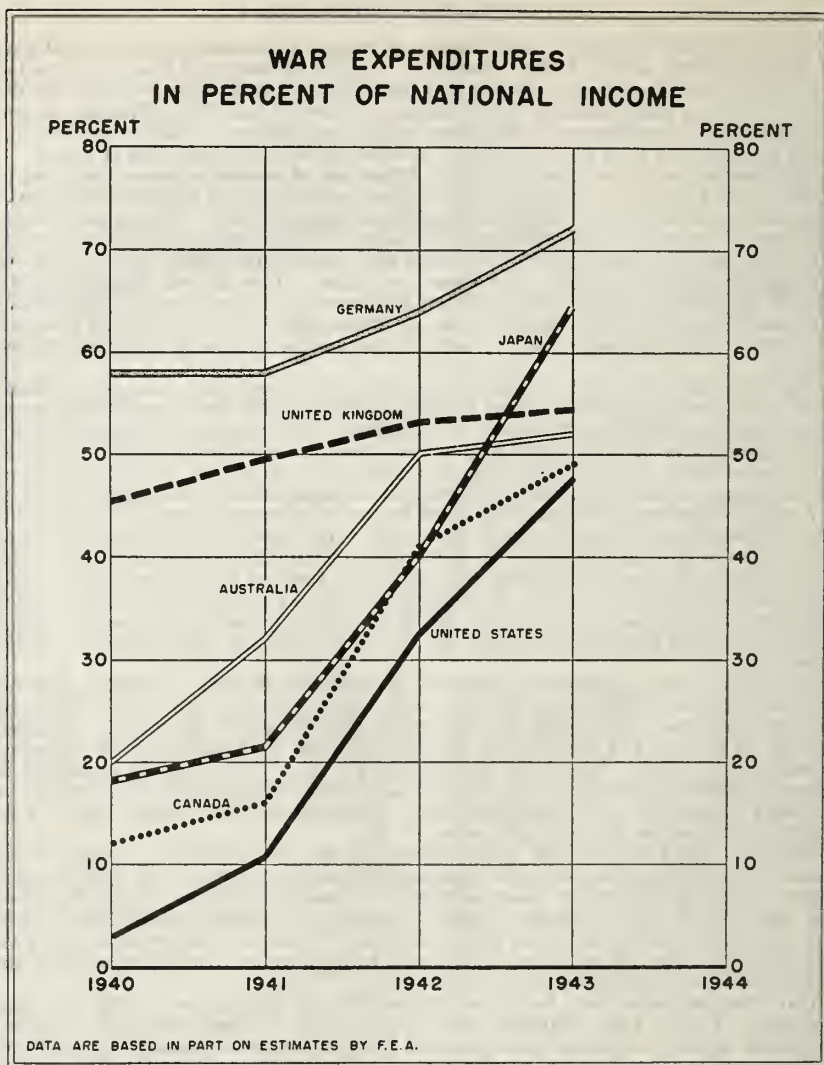
The costs of mutual aid—of lend-lease and reverse lend-lease—are only a small part of the war expenditures even of those nations which have contributed most heavily to their Allies in the form of supplies. For example, 14 percent of the war expenditures of the United States have been for lend-lease. These expenditures have not been less effective in promoting the defense of the United States and bringing nearer the ultimate defeat of the enemy than has the 86 percent of our war production which has been used by our own armed forces. The decision as to whether one of the United Nations is to use directly the whole of its own production or is to send a part of it to its Allies is made by the military authorities in the light of the over-all strategic conduct of the war and without regard to purely financial considerations. The production of the United States, the United Kingdom, and Canada is allocated among the United Nations by the Combined Boards on which are represented the military and economic high commands of the three powers.

The over-all costs of the war cannot be measured in dollars. The men who fell at Stalingrad and Salerno, in Tunisia and at Changsha, the ruins of Rotterdam, the burning home of a Russian peasant, the ransacking and looting of the occupied nations of Europe and Asia—these are claims of war that can never be expressed in monetary terms. But to the extent that the cost of war can be measured in financial terms—and apart from lives lost and homes destroyed—the figures make it clear that each of the United Nations is contributing to the fullest extent of its ability to the defeat of the Axis powers.

Probably the best financial measurement of the war effort of a nation is the extent to which it is devoting its national production to war. As long as each country spends roughly the same portion of its national income for the defeat of the Axis Powers, the financial burden is distributed equally among the United Nations in accordance with their ability to pay. Those with the most to give, give the most, but they do not contribute more in proportion to their capacity than those who draw upon more limited resources.

Our principal allies have been carrying on the war against the Axis longer than we have. Before Pearl Harbor, Russia, China, the United Kingdom, Canada, Australia, and New Zealand were devoting from one-fourth to more than one-third of their national production to the defeat of the enemy. In 1941 the United States spent only one-tenth of its income for the war. Today Russia and China and the nations of the British Commonwealth are contributing approximately 50 percent of their national production to the war. The United States is now reaching a peak at which approximately one-half of our national production is devoted to all war purposes, including transfers under lend-lease. Thus, at the present time the financial claims of war against the United States and our allies are approximately equal.

When the money costs of the war fall according to the rule of equality of financial sacrifice, no nation grows wealthy from the war effort of its allies and each nation fulfills its responsibility to contribute to the fullest extent to the defeat of the enemy. The claims of war against each are the same in terms of production and finance.



Foreign Economic Administration

## APPENDIX B

### LEND-LEASE FACT AND FICTION

In an operation as vast and varied as the lend-lease program, it is natural and inevitable that misconceptions should arise. Some of the most widely circulated fictions regarding lend-lease are here described, followed by the actual facts of each case. It will be observed that though some of the rumors are without foundation, many possess a fragment of truth which has become distorted until it is truth no longer.



*Fiction.*

One of the most persistent criticisms directed at lend-lease concerns the butter that has been shipped abroad. As the ration point value of this commodity climbed, the rumors grew more extravagant, finally culminating in an absurdity—that so great were the quantities of butter going to Russia that Soviet soldiers were using it to grease their boots.

*Fact.*

The facts in this case are by now fairly well known. During 1943 just 3.8 percent of the total United States output of butter was shipped as lend-lease, virtually all of this amount going to the Red Army, principally for wounded soldiers. Much of this butter was actually used by military surgeons as a life-giving injection in a remarkable new technique for the treatment of abdominal wounds whereby food is pumped directly into the intestines of the wounded man.

*Fiction.*

The domestic shortage of beef has given rise to frequent complaints against lend-lease.

*Fact.*

Only 1.3 percent of our total supply of beef and veal was exported under lend-lease during 1943, and 0.3 percent in 1942.

*Fiction.*

Rumors have been recurrent that lend-lease was footing the bill for numerous unjustifiable items ranging from a Washington party given by an Allied purchasing mission, to a variety of frivolous imports including powder puffs, nylon stockings, and Scotch whisky.

*Fact.*

To check off the first item, all procurement through lend-lease is made by requisition and there is no mechanism by which anyone can requisition a dinner party.

As to nylon hose, there was a very real basis for the report that thousands of pairs of this cherished commodity would be made available to Australian women under lend-lease. Such a report did actually appear in the Sydney papers on November 8 under circumstances which could have only been considered amusing if they had not caused such troublesome repercussions. To state it briefly, the story of the lend-lease hosiery was "planted" by political opponents of an Australian Member of Parliament who was up for re-election. The Member of Parliament's statement received wide and eager publicity, and on the following day prompt and embarrassed denial in Australia. Unfortunately, the true denial failed to follow the false report to the newspapers of New Zealand and the United States.

There was also the matter of the traveling cases, Scotch whisky, candy, and tobacco which were supposedly furnished as lend-lease to officers on board a British battleship. The ship in question was being overhauled in an American navy yard. The officers requisitioned what they were entitled to apply for in their own navy yards, but were not granted those items which our Navy does not customarily issue to its own men. Tobacco and chocolate, which were granted, are made available under lend-lease to the canteens on British warships in the same way that the British supply similar items under reverse lend-lease to our canteens in England for sale to the American armed forces.

*Fiction.*

Last November there was a story current to the effect that lend-lease was paying freight charges to the Middle East on a variety of articles which could not be construed as contributing to the war effort. These included beer and spirits, tobacco, lipsticks, women's dresses, etc.

*Fact.*

All of the items listed were shipped to Middle East ports. However, with the exception of comparatively small amounts of beer and tobacco which were part of a consignment of military goods shipped by the British Government to military units in the Middle East combat area, they were carried as commercial shipments, not as lend-lease. The shipping agents—Isthmian Steamship Co. and American Export Lines—collected transportation charges on all the commercial shipments from the consignors.

*Fiction.*

Another rumor which was given some credence was that lend-lease was selling gasoline to foreign governments at 2 cents a gallon and that our Army was buying it back from the foreign governments at 42 cents a gallon.

*Fact.*

With a few minor exceptions, gasoline procured with lend-lease funds is not sold to foreign governments. It is provided to our allies under master lend-lease agreements which defer the final settlement of the terms and conditions under which lend-lease aid is furnished. Similarly, gasoline is furnished by our allies to our forces fighting abroad under reverse lend-lease, without payment by us.

*Fiction.*

Perhaps the most sensational rumor is the one that the Russians have taken some of the planes we sent them and have traded them to the Japanese in return for rubber. These planes were then allegedly used against our forces in the Pacific.

*Fact.*

Rumors of this type, frequently emanating from Radio-Tokio, have been repeatedly investigated by representatives of the State Department and other agencies, and proved to be without foundation. There is not an atom of truth in this particular rumor.

*Fiction.*

Perhaps the most harmful in the whole collection of rumors, in that it attempts to create distrust of our ally Great Britain, is the one that the English have been removing the labels from lend-lease articles, substituting their own, retransferring the goods to other countries, and taking the credit.

*Fact.*

There can be no question about the origin of many of the items supplied to our allies under lend-lease. Jeeps, Airacobra planes, General Sherman tanks, and tommy guns are self-labeling and are known the world over as American products. Other lend-lease items, such as foodstuffs, are shipped in packages with the maker's name and location stamped clearly on the container, usually with the American flag. Standard lend-lease labels are also affixed to all goods shipped in bags, boxes, or barrels.

Investigation of the rumor that American foodstuffs were shipped without labels to England where they were labeled by English packers and transshipped to Russia shows that no lend-lease foods of any kind have ever been transshipped from England to Russia.

Rumors that the British are relabeling our goods have repeatedly been beamed to the United States by Axis radio broadcasters. Moreover the same type of charge is beamed by Axis radio to Great Britain, except that in this case it is said that the United States substitutes American labels for British markings. A typical instance is the Axis broadcast of February 18, 1943, which said:

"Bad food sold in French North Africa in packages bearing British labels has been discovered to have originated in the United States of America. A correspondent, until recently in Algiers, says good care is being taken there to give the impression that the great bulk of the food that arrives from abroad comes from the United States of America. The unscrupulous importers in many cases remove the British labels and replace them by American ones. It was thought that the British labels were then thrown away. But this is not so. It is invariably found that the foodstuffs that had caused complaints bear British labels."

*Fiction.*

Another story designed to injure Anglo-American relations is that alcohol which we have lend-leased to Great Britain has been converted to whisky and sold back to us.

*Fact.*

All of the alcohol we lend-leased to Britain in 1943 was used in the manufacture of explosives, parachute cloth, and other military products. No whisky has been manufactured in the United Kingdom since May 1943.

*Fiction.*

It was recently rumored that the Foreign Economic Administration had provided for the shipment of 50,000 refrigerators to England as lend-lease.

*Fact.*

In this story not the fact but the figure is distorted. The Foreign Economic Administration allocated 940 refrigerators to the entire British Empire for each quarter of the year 1944. Quarterly allocations for 1943 were 568 units—mostly for British colonies and dominions having tropical climates—for the following uses:

1. Military, governmental, professional institutions, or industrial use in the storage of chemicals and photographic materials which cannot be preserved at normal atmospheric temperatures.

2. Research and testing laboratories developing critical materials or products to be used directly in connection with the war program for the storage of materials which cannot be preserved at normal atmospheric temperatures.

3. Food storage in hospitals and the like, where it is established that commercial refrigeration or ice refrigeration equipment is necessary.

*Fiction.*

In one rumor, syndicated in several newspapers, the Russians were accused of loading our ships on their return voyage, with foreign language newspapers. These papers were said to have as their common editorial theme the organization of a "Cominslav" movement in the United States and were billed as reciprocal lend-lease.

*Fact.*

No such deal has ever been consummated on reverse lend-lease with the Union of Socialist Soviet Republics or any other country in the world. Printed matter from practically everywhere finds its way to this country, of course, but these periodicals are brought in on a purely commercial basis, and the control of their importation is in the hands of the postal authorities and the Office of Censorship.

*Fiction.*

A story which has recently been going the rounds is to the effect that 40,000 civilian type radios have been made available to the people of England, mostly under lend-lease, while our own people have been unable to buy them.

*Fact.*

Since the passage of the Lend-Lease Act in March 1941, the United States exported 25,968 radio receiving sets to the United Kingdom under lend-lease, valued at \$2,672,397.

Most of these were military type radios and were used in the North African and Mediterranean campaigns and in the allied bombing offensives against Germany. Those which were not for direct use by the military forces were needed to insure rapid dissemination of warnings and special instructions in connection with air raids.

While radios have been supplied to the United Kingdom under lend-lease, the United States has received radios from the United Kingdom under reverse lend-lease. Specialized British radio equipment for installation in the planes of the United States Army Air Force has given greater safety to our bomb crews and has improved the effectiveness of the American bombing missions.

*Fiction.*

A story containing a kernel of truth, greatly, magnified, related to the shipment of diaper cloth to north Africa. The story was that we had lend-leased huge amounts of diaper cloth which had been used by the natives for everything from diapers for infants to headdresses for chieftains. Our own babies, of course, during this time, were allegedly going diaperless.

*Fact.*

When the American and British armies landed in north Africa, they found a country stripped by the Nazis of food, clothing, and other supplies. In order to gain the cooperation of the local population in our military operations, it was found necessary to provide certain civilian goods, and, at the request of the military authorities, such goods were sent to north Africa under lend-lease.

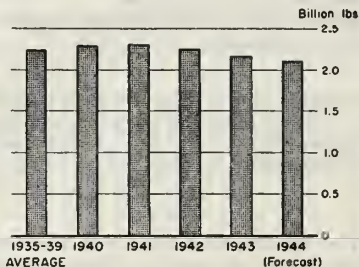
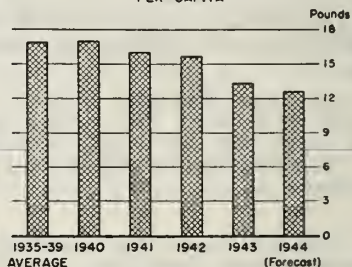
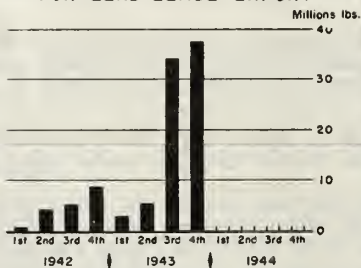
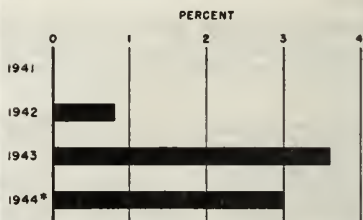
Among these goods was a consignment of diaper cloth, mostly from surplus Work Projects Administration stocks. The cloth was shipped for distribution to children of European families only. No diapers were sent for native children, on the ground that diapers were not previously used by the natives.

The diaper cloth, like all civilian supplies sent to north Africa under lend-lease, has been paid for by the French, 100 cents on the dollar.

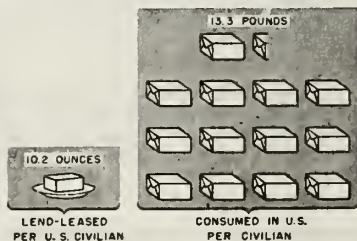
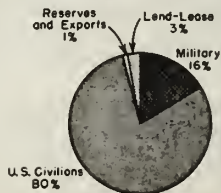


## BUTTER

TOTAL U. S. SUPPLY

U. S. CIVILIAN CONSUMPTION  
PER CAPITAQUARTERLY DELIVERIES  
FOR LEND-LEASE EXPORTLEND-LEASE EXPORTS IN % OF  
TOTAL U. S. SUPPLY

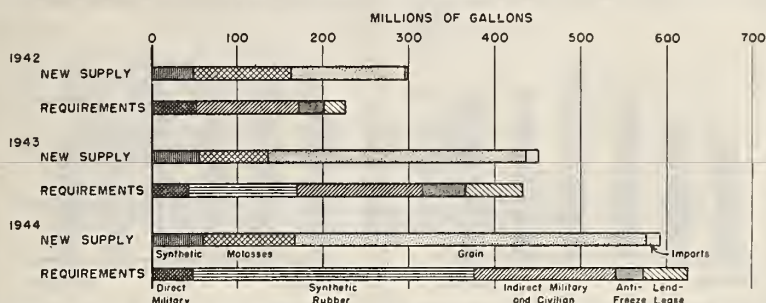
\*W.F.A. allocation

AMOUNT LEND-LEASE COMPARED  
WITH CONSUMPTION IN U. S.  
YEAR 1943ALLOCATION BY W.F.A.  
OCTOBER 1, 1943 TO OCTOBER 1, 1944

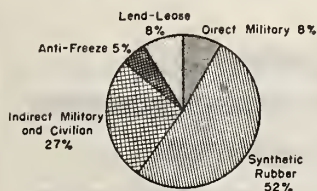
## INDUSTRIAL ALCOHOL

(1944 data are estimates by W.P.B.)

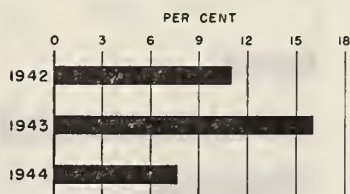
## SUPPLY AND REQUIREMENTS



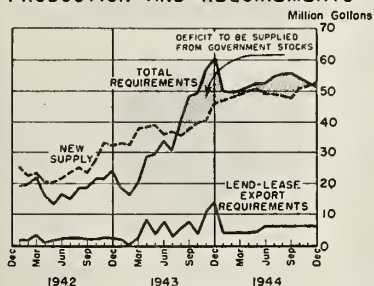
## ESTIMATED 1944 REQUIREMENTS



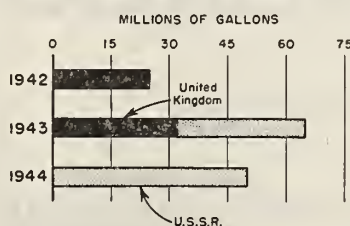
## LEND-LEASE REQUIREMENTS IN % OF TOTAL REQUIREMENTS



## PRODUCTION AND REQUIREMENTS

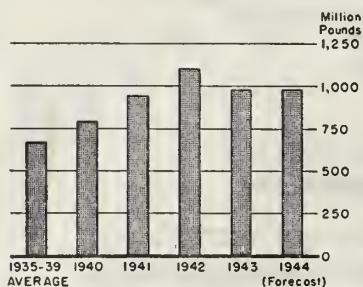


## LEND-LEASE EXPORTS

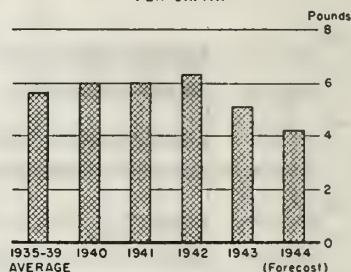


## CHEESE

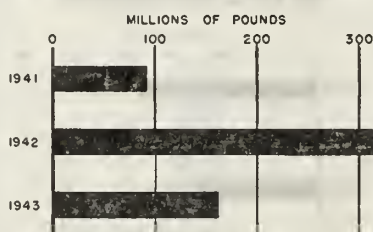
U.S. PRODUCTION



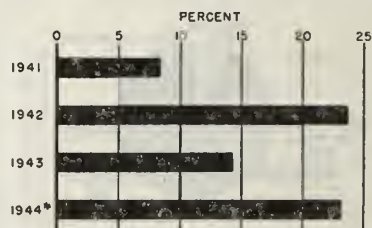
U.S. CIVILIAN CONSUMPTION PER CAPITA



QUANTITY LEND-LEASED



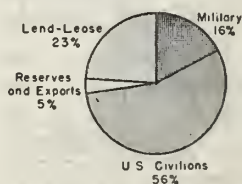
LEND-LEASE EXPORTS IN % OF TOTAL U.S. SUPPLY



\* W.F.A. Allocation

QUANTITY LEND-LEASED COMPARED WITH CIVILIAN CONSUMPTION IN U.S.  
YEAR 1943LEND-LEASED  
PER CAPITAU.S. CONSUMPTION  
PER CAPITA

EACH FIGURE REPRESENTS ONE POUND

ALLOCATION BY W.F.A.  
OCTOBER 1, 1943 TO OCTOBER 1, 1944



## COTTON

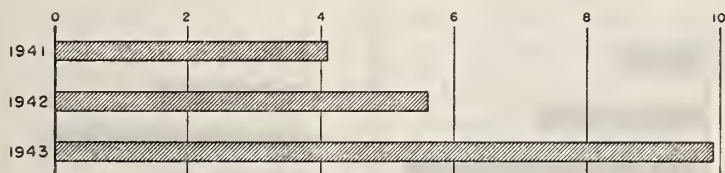
## LEND-LEASE EXPORTS

EACH FIGURE REPRESENTS 100,000 BALES

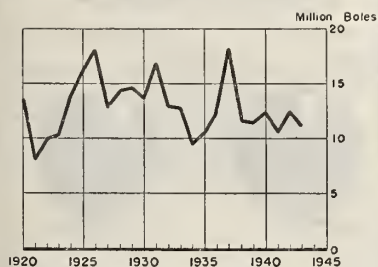


## LEND-LEASE EXPORTS IN % OF PRODUCTION

PER CENT

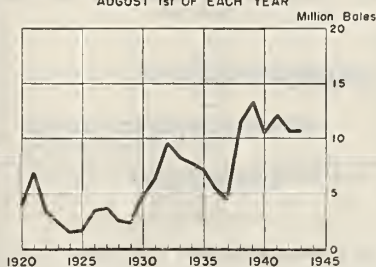


## U. S. PRODUCTION



## U. S. STOCKS

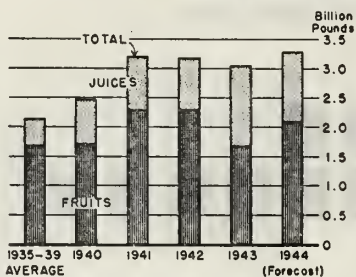
AUGUST 1st OF EACH YEAR



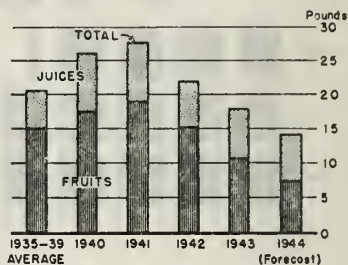
Foreign Economic Administration

## CANNED FRUITS AND JUICES

U.S. PRODUCTION



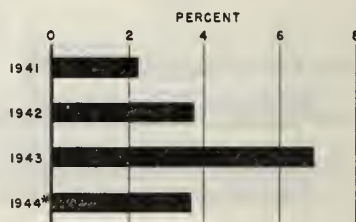
U.S. CIVILIAN CONSUMPTION PER CAPITA



QUANTITY LEND-LEASED

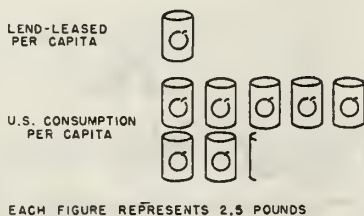


LEND-LEASE EXPORTS IN % OF TOTAL U.S. SUPPLY

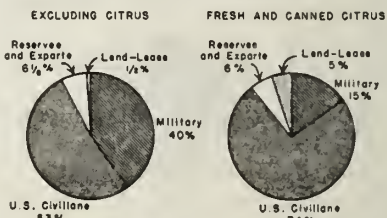


\*January

QUANTITY LEND-LEASED COMPARED WITH CIVILIAN CONSUMPTION IN U.S. YEAR 1943

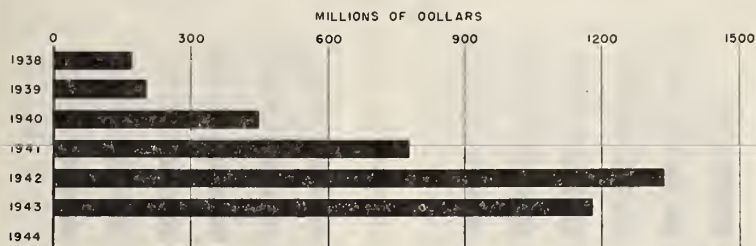


ALLOCATION BY W.F.A. OCTOBER 1, 1941 TO OCTOBER 1, 1944

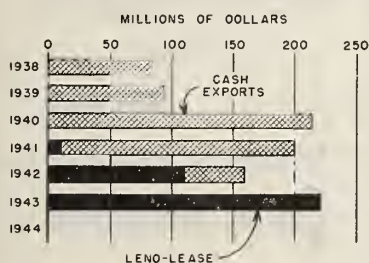


## MACHINE TOOLS

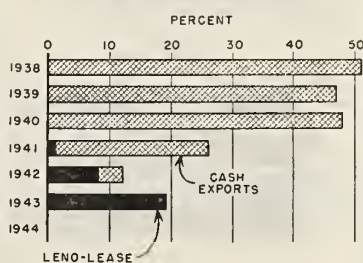
## UNITED STATES PRODUCTION



## VALUE OF EXPORTS

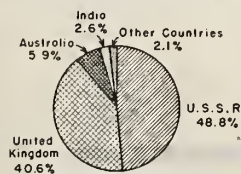


## EXPORTS IN % OF PRODUCTION



## WHERE MACHINE TOOLS HAVE GONE UNDER LEND-LEASE

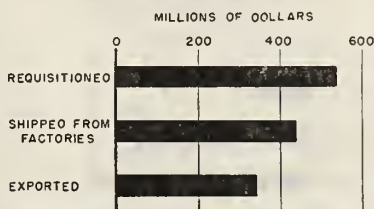
MARCH 1941—DECEMBER 1943



FIGURES IN MILLIONS OF DOLLARS

## LEND-LEASE MACHINE TOOL PROGRAM

AS OF DECEMBER 31, 1943

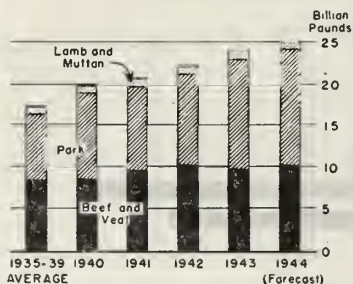




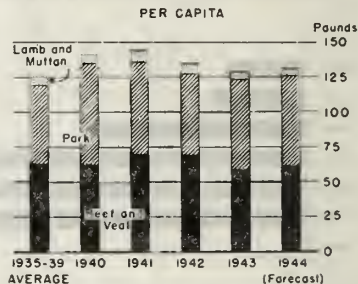
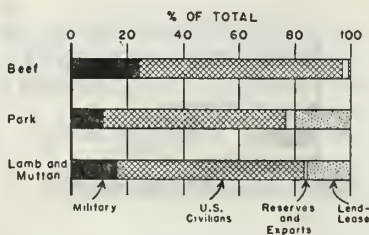
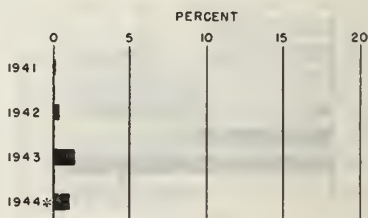
## MEAT

(Dressed weight basis)

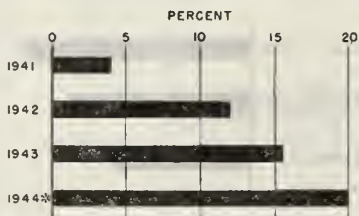
TOTAL U.S. SUPPLY



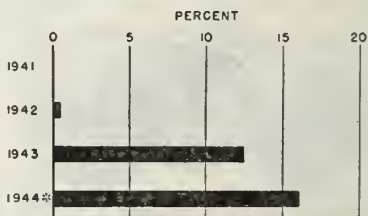
U.S. CIVILIAN CONSUMPTION

ALLOCATION BY W.F.A.  
OCTOBER 1, 1943 TO OCTOBER 1, 1944BEEF LEND-LEASED IN % OF  
TOTAL U.S. SUPPLY

\*W.F.A. allocation

PORK LEND-LEASED IN % OF  
TOTAL U.S. SUPPLY

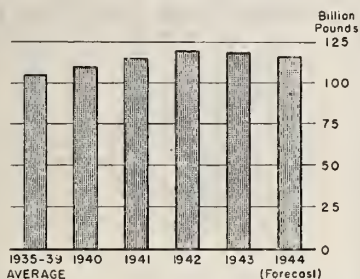
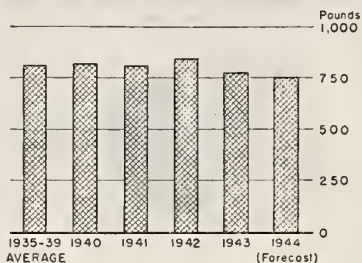
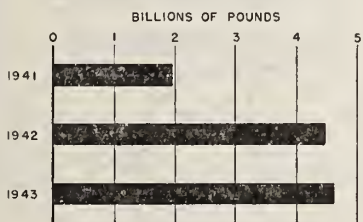
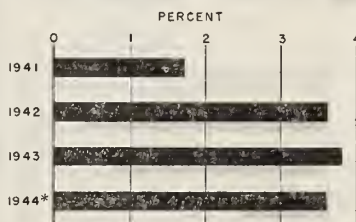
\*W.F.A. allocation

LAMB AND MUTTON LEND-LEASED  
IN % OF TOTAL U.S. SUPPLY

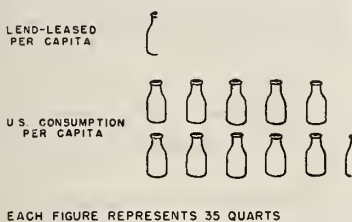
\*W.F.A. allocation

**MILK**

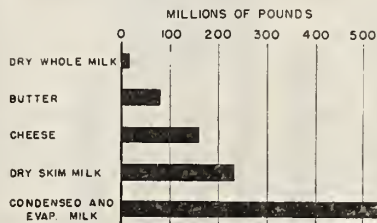
(Fluid milk equivalent of all dairy products)

**U.S. PRODUCTION****U.S. CIVILIAN CONSUMPTION PER CAPITA****QUANTITY LEND-LEASED****LEND-LEASE EXPORTS IN % OF TOTAL U.S. SUPPLY**

\* January

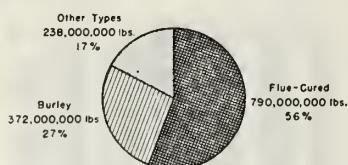
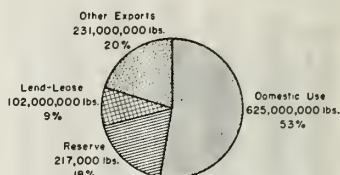
**QUANTITY LEND-LEASED COMPARED WITH CIVILIAN CONSUMPTION IN U.S. YEAR 1943****LEND-LEASE EXPORTS IN 1943**

(Quantities in form in which exported)

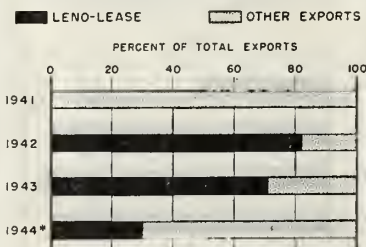


## TOBACCO

(Annual data are for crop years extending from July 1 to June 30)

U. S. TOBACCO PRODUCTION BY TYPE  
1943-44ALLOCATION OF FLUE-CURED SUPPLY  
1943-44

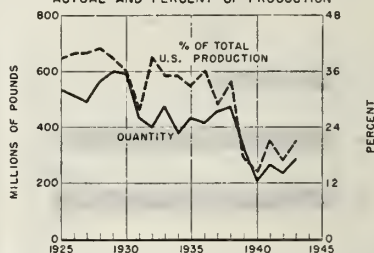
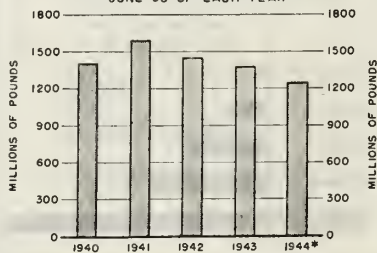
CLASSIFICATION OF EXPORTS



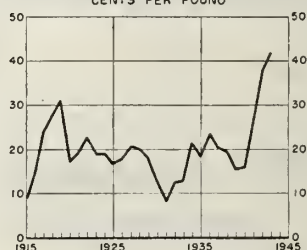
\*Based on 1943-44 allocation

TOTAL TOBACCO EXPORTS

ACTUAL AND PERCENT OF PRODUCTION

STOCKS OF FLUE-CURED TOBACCO  
JUNE 30 OF EACH YEAR

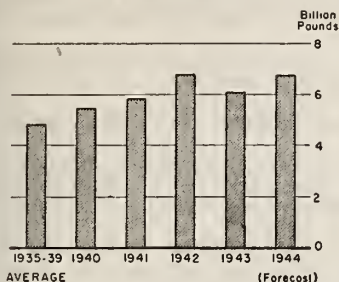
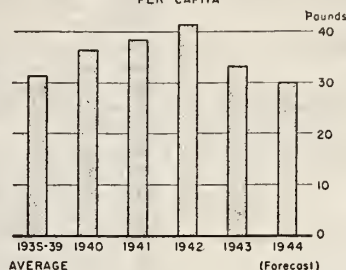
\*Estimated

AVERAGE PRICE RECEIVED BY FARMERS  
CENTS PER POUND

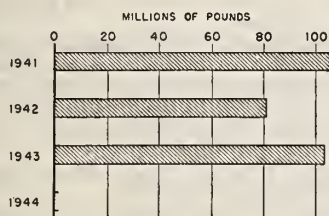
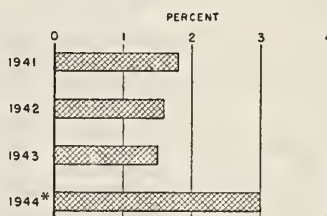


## CANNED VEGETABLES

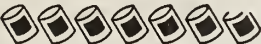
U.S. PRODUCTION

U.S. CIVILIAN CONSUMPTION  
PER CAPITA

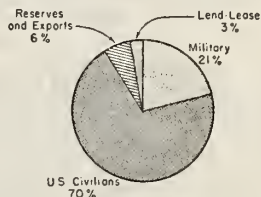
QUANTITY LEND-LEASED

LEND-LEASE EXPORTS IN % OF  
TOTAL U.S. SUPPLY

\* W.F.A. Allocation

QUANTITY LEND-LEASED COMPARED  
WITH CIVILIAN CONSUMPTION IN U.S.  
YEAR 1943LEND-  
LEASED  
PER CAPITAU.S.  
CONSUMPTION  
PER CAPITA

EACH SYMBOL REPRESENTS 5 POUNDS

ALLOCATION BY W.F.A.  
1943-1944

Foreign Economic Administration

*Chronological lend-lease summary*

1939

- Sept. 1----- Poland is invaded by Germany.  
 Sept. 3----- Great Britain and France declare war on Germany.  
 Nov. 4----- United States embargo on export of arms to belligerents is repealed by Public Res. 54, but shipments are limited to cash-and-carry terms.  
 Dec. 6----- Interdepartmental Committee for the Coordination of Foreign and Domestic Military Purchasing is set up by the President—the President's liaison committee.

*Chronological lend-lease summary—Continued*

1940

- April----- British aircraft purchases (first large-scale foreign orders) involve foreign capital investment in new plants and equipment in United States.
- May 10----- The Netherlands, Belgium, and Luxemburg are invaded by Hitler. Churchill succeeds Chamberlain as British Prime Minister.
- May 29----- Advisory commission to the existing Council of National Defense is created by the President—first of the United States defense agencies.
- May 29 to June 4-- Rout of the British at Dunkerque; not 100 tanks left in England.
- June 14----- German troops enter Paris; armistice signed with Germany on June 22, and with Italy on June 25. With the fall of France, Great Britain assumes French war contracts in the United States.
- June 15----- Pittman Act authorizes the Secretaries of War and Navy to transfer military equipment, for cash, to American republics—forerunner of Lend-Lease Act.
- June 22----- U. S. Army arranges through private interests to sell and ship to Great Britain large quantities of surplus military equipment.
- Sept. 2----- The destroyer deal—first noncash transfer along policy lines that developed into lend-lease.
- Dec. 18----- In a speech containing a parable about lending a neighbor a "garden hose" to put out a fire in his house, the President gives the first public intimation of the lend-lease concept. British Supply Council in North America is formed to co-ordinate British purchasing in the United States.

1941

- Jan. 10----- Lend-lease bill introduced into the Senate and House of Representatives—S. 275 and H. R. 1776.
- Jan. 15----- House Committee on Foreign Affairs commences hearings on lend-lease bill.
- Jan. 27----- Senate Committee on Foreign Relations begins lend-lease hearings.
- Feb. 8----- Administration's lend-lease bill passes the House of Representatives 261 to 165.
- Mar. 6----- W. Averell Harriman is appointed as the President's special representative in Great Britain to facilitate material aid for the British Empire—popularly called lend-lease expeditor.
- Mar. 8----- Amended lend-lease bill passes the Senate 60 to 31.
- Mar. 11----- Lend-lease act passes the House 317 to 71, and is signed by the President.
- Mar. 27----- First lend-lease money—\$7,000,000,000—is appropriated to the President by Congress.
- Apr. 1----- First lend-lease requisitions are filed, 54 at one time by the United Kingdom, the first requesting evaporated milk.
- Apr. 14----- President's liaison committee is dissolved.
- Apr. 29----- China Defense Supplies, Inc., becomes official procurement agency of the Chinese Government to handle lend-lease material.
- May 2----- Division of Defense Aid reports is organized in the Executive Office of the President to supervise the lend-lease program.
- June 11----- First lend-lease report by the President to Congress.
- June 22----- Germany attacks Union of Soviet Socialist Republics.
- July 21----- Division of Defense Aid Reports is made responsible for supervising Soviet aid program.
- July 26----- Executive Director, Division of Defense Aid Reports, is delegated limited authority to allocate lend-lease funds.
- Sept. 10----- Eden white paper—unilateral policy declaration by Great Britain specifying conditions under which Britain is to use United States materials, both internally and in export trade.

*Chronological lend-lease summary—Continued*

1941

Sept. 11.....	Second Report to Congress on lend-lease operations.
Sept. 16.....	Appointment of Edward R. Stettinius, Jr., as Lend-Lease Administrator.
Sept. 18.....	Lend-Lease Administrator receives authority from the President to allocate, amend, alter, or revoke lend-lease funds up to \$300,000,000.
Oct. 1.....	First Soviet protocol (aid to the Union of Soviet Socialist Republics) is approved by the President.
Oct. 11.....	Lend-Lease Administrator receives further authority to allocate lend-lease funds and to transfer between categories.
Oct. 28.....	Office of Lend-Lease Administration is established by Executive Order No. 8926 (succeeding Division of Defense Aid Reports) and the Administrator receives most powers conferred on the President by the Lend-Lease Act.
Do.....	Second lend-lease appropriation, \$5,985,000,000.
Dec. 7.....	Japanese attack Pearl Harbor.
Dec. 8.....	United States declares war on Japan.
Dec. 11.....	Germany and Italy declare war on the United States; and the United States declares war on Germany and Italy.
Dec. 12.....	Third Report to Congress on Lend-Lease Operations.

1942

Jan. 1.....	United Nations declaration signed by 26 nations.
Feb. 23.....	Lend-lease master agreement is signed with the United Kingdom—first statement of terms and conditions governing lend-lease aid.
Mar. 5.....	Third lend-lease appropriation, \$5,425,000,000.
Mar. 11.....	President Roosevelt submits to Congress his report on the first year of lend-lease operations.
Apr. 30.....	Burma Road closed; lend-lease goods destined for China burned to prevent enemy capture.
June 11.....	Fifth report to Congress on lend-lease operations. <sup>1</sup>
July 14 to Aug. 12.	Lend-Lease Administrator visits Great Britain, on invitation of British Government, to survey lend-lease operations.
Sept. 3.....	Reciprocal lend-lease agreements are signed with Australia, Fighting France, New Zealand, and United Kingdom.
Sept. 11.....	Sixth report to Congress on lend-lease operations.
Dec. 11.....	Seventh report to Congress on lend-lease operations.

1943

Jan. 25.....	Report to 78th Cong. on lend-lease operations.
Mar. 11.....	President signs the act extending Lend-Lease Act for 1 year, after affirmative votes of 407 to 6 in the House of Representatives and 82 to 0 in the Senate.
Mar. 11.....	Eighth quarterly report to Congress on lend-lease operations.
May 25.....	Report to Congress on lend-lease operations.
June 14.....	Fourth lend-lease appropriation, \$6,273,629,000.
Aug. 25.....	Eleventh report to Congress on lend-lease operations.
Sept. 25.....	Foreign Economic Administration is established by Executive Order 9380, with Leo T. Crowley named Administrator.
Nov. 11.....	Twelfth report to Congress on lend-lease operations. Reverse lend-lease aid from the British Commonwealth of Nations.
Nov. 11.....	White paper of the Chancellor of the Exchequer to Parliament on British reverse lend-lease figures and policy.

1944

Jan. 6.....	Thirteenth report to Congress on lend-lease operations.
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# FUNCTIONS OF FOREIGN ECONOMIC ADMINISTRATION

## FOREIGN ECONOMIC ADMINISTRATION

### EXPORT ACTIVITIES

Programming and shipping of lend-lease supplies.  
Commercial export assistance and war-time control.  
Furnishing needed civilian supplies for relief and rehabilitation.  
Export coordination operations.

### IMPORT ACTIVITIES

Government development, procurement and importation of strategic materials, commodities and food-stuffs from abroad.  
Imports under reverse lend-lease.  
Special purchase operations abroad, primarily to help stabilize the economy of friendly countries or "preclusively" to keep the enemy from getting strategic materials.

### OTHER ACTIVITIES

Economic warfare intelligence and analysis, including work on bombing objectives, blockade measures and other strategic phases.  
Coordination and supervision of the lend-lease program and of all U.S. foreign economic operations.

## APPENDIX C

*Dollar value of lend-lease exports, March 1941 through December 1943*

(Thousands of dollars)

	Ordnance and ammuni- tion	Aircraft and parts	Tanks and other vehicles	Water- craft	Industrial items	Agricul- tural commod- ities	Total
United Kingdom.....	910, 206	895, 185	782, 137	167, 208	1, 695, 194	2, 144, 622	6, 594, 552
Union of Soviet Socialist Repub- lics.....	583, 329	806, 752	807, 126	105, 566	1, 164, 020	777, 011	4, 243, 804
Egypt.....	321, 243	276, 321	458, 771	17, 426	246, 488	67, 915	1, 388, 164
India and Ceylon.....	190, 866	107, 695	223, 715	22, 944	246, 332	45, 908	837, 460
Australia.....	86, 738	139, 760	153, 408	2, 694	241, 114	23, 810	647, 524
French Africa and other French territory.....	56, 347	15, 292	143, 245	7, 610	67, 445	58, 030	347, 969
Canada <sup>1</sup> .....	78, 806	163, 310	36, 854	5, 232	34, 558	7, 618	326, 378
British Africa.....	54, 972	108, 111	48, 776	2, 682	85, 677	5, 186	305, 404
Iran and Iraq.....	55, 360	4, 912	67, 936	2, 750	58, 697	9, 937	198, 992
New Zealand.....	31, 604	33, 583	33, 104	1, 209	51, 922	3, 770	155, 192
American republics.....	20, 859	51, 350	36, 881	617	18, 205	55	127, 967
China.....	22, 574	63, 688	17, 209	-----	23, 553	85	127, 109
Other British territory.....	15, 368	41, 693	16, 362	16, 258	23, 679	4, 382	117, 742
Turkey.....	43, 670	582	43, 728	1	8, 326	80	96, 387
Netherlands Indies and other Netherlands territory.....	7, 788	17, 582	2, 598	511	4, 399	172	33, 050
Belgian Congo.....	6, 134	718	6, 201	241	4, 907	2	18, 203
Greece.....	3, 916	510	99	-----	75	5, 734	10, 334
Miscellaneous.....	36	296	1, 126	353	3, 147	298	5, 256
Total.....	2, 489, 816	2, 727, 340	2, 879, 276	353, 302	3, 977, 138	3, 154, 615	15, 581, 487

<sup>1</sup> Exports to Canada are for training purposes, further fabrication or transshipment to lend-lease countries, principally United Kingdom.

## APPENDIX D

## LEND-LEASE FOOD SHIPMENTS

Lend-lease food shipments are continuing to go almost entirely to the United Kingdom and the Soviet Union. Lend-lease shipments represent a vital 10 percent of the food supply of the British Isles, which are the base of the combined British-American air offensive against Germany and for the coming invasion. Food shipments to the Soviet Union have made it possible to maintain the rations of the Soviet soldiers who—while themselves suffering heavy casualties—have exacted a toll of millions of German dead, wounded, and captured as they smash the armies of Hitler back toward the German border.

These food shipments have been large in terms of tons—5,744,000 in 1943—vital in terms of the extra damage to our enemies by our allies which they have made possible, and relatively small in terms of United States supply.

In 1943 we shipped under lend-lease a little over 1 percent of our total beef and veal supply, about 11 percent of our lamb and mutton, and not quite 15½ percent of our pork. This amounted to three-tenths of an ounce per week of beef and veal from each United States civilian, the same amount of lamb and mutton and 5 ounces of pork. In January 1944 shipments of beef, veal, lamb, and mutton took a larger proportion of the supply than the average monthly shipments in 1943, while shipments of pork were less than in 1943.

To make all the milk products shipped under lend-lease in 1943, including dry whole and skim milk, condensed and evaporated milk, butter, and cheese, it took less than 4 percent of our total fluid milk production. January 1944 shipments were at a rate slightly below that of 1943. Among the milk products, we sent in 1943 over 40 percent of our dried skim milk and less than 4 percent of our butter. Lend-lease butter shipments amounted to two-tenths of an ounce per week per civilian. Both butter and dried skim milk shipments were at a lower rate in January 1944 than in 1943.

We shipped 16 percent of our edible fats and oils, including lard, oleomargarine, rendered pork fat, and various vegetable oils, but excluding butter. January 1944 shipments took a slightly lower percentage of our supply of these fats and oils than the average monthly shipments in 1943.

Not quite 12½ percent of our record 1943 egg production was used to supply the dried eggs that were shipped in 1943 under lend-lease. Eggs are shipped under lend-lease only in dried form.

The 1943 lend-lease shipments of canned vegetables used 1½ percent of our canned vegetable supply and not quite 7 percent of our canned fruit and fruit-juice supply. This amounted to three-tenths of an ounce per week of canned vegetables from each United States civilian and eight-tenths of an ounce of canned fruits and fruit juices. In January 1944 we sent out a little over 3½ percent of our canned fruit and fruit-juice supply and 2 percent of our canned vegetables.

We shipped over 20 percent of our dried fruits, 11 percent of our dried beans, and not quite 10 percent of our dried peas in 1943.

The following table shows the relationship of lend-lease food shipments to United States supply and the amounts involved for each United States civilian:

*Lend-lease food shipments in relation to supply and to United States civilian population*

	Exports in percent of supply		Exports, ounces per week per United States civilian	
	Year 1943	January 1944 <sup>1</sup>	Year 1943	January 1944
All meats (dressed-weight basis).....	9.5	7.7	5.6	4.9
Beef and veal.....	1.3	1.9	.3	.5
Lamb and mutton.....	11.1	22.3	.3	.6
Pork.....	15.4	10.9	5.0	3.8
All milk products (fluid milk equivalent).....	3.8	3.6	11.3	10.7
Dry whole milk.....	13.7	11.6	.04	.04
Dry skim milk.....	41.9	17.0	.6	.2
Condensed and evaporated milk.....	12.8	6.2	1.3	.6
Butter.....	3.8	1.6	.2	.1
Cheese.....	14.3	26.2	.4	.7
Eggs, dried (shell egg equivalent).....	12.4	14.2	2.4	2.8
Edible fats and oils (fat content).....	16.3	11.9	2.7	2.1
Canned fish.....	26.8	5.6	.6	.1
Fruits:				
Canned fruits and juices.....	6.9	3.6	.8	.4
Dried fruits.....	20.3	14.6	.7	.5
Vegetables:				
Canned vegetables.....	1.5	2.0	.3	.3
Dried beans.....	11.4	13.9	.8	1.0
Dried peas.....	9.9	24.0	.3	.7
Corn and corn products (grain equivalent).....	1.2	.1	.9	.7
Wheat and wheat products (grain equivalent).....	1.0	1.8	3.1	4.4

<sup>1</sup> Assumes the supply for January 1944 as one-twelfth the total estimated supply for the entire year.

## APPENDIX E

### STATEMENT OF FOREIGN ECONOMIC ADMINISTRATION FUNCTIONS

The Foreign Economic Administration was established by Executive Order No. 9380 issued on September 25, 1943.

It is a consolidation of several war agencies. The functions of these war agencies were all in the field of foreign economic operations.

The constituent agencies were (1) the Office of Lend-Lease Administration, (2) the Office of Economic Warfare, including Government corporations operating under its jurisdiction such as United States Commercial Company, Rubber Development Corporation, Petroleum Reserve Corporation, and the Export-Import Bank of Washington, (3) the Office of Foreign Relief and Rehabilitation Operations, and (4) that part of the Office of Foreign Economic Coordination of the State Department which dealt with foreign economic operations. The functions of the War Food Administration and the Commodity Credit Corporation with respect to the procurement and development of food, agricultural machinery, and other food facilities in foreign countries were transferred to and consolidated in the Foreign Economic Administration by Executive Order No. 9385 dated October 6, 1943. In addition most of the foreign procurement activities formerly performed by Metals Reserve Company, Defense Supplies Corporation, and Defense



Plant Corporation have been taken over by the Foreign Economic Administration pursuant to the terms of Executive Order No. 9361 dated July 15, 1943.

In general, the functions of the Foreign Economic Administration are those of its constituent agencies. These functions may be briefly described as follows:

1. The administration of the Lend-Lease Act, including making arrangements for the procurement, purchase and transmission of supplies, services and information to countries eligible for lend-lease aid and making arrangements for the receipt by the United States of reverse lend-lease aid from such countries.

2. Control for war purposes of the export of commodities from the United States through export licensing.

3. The procurement from abroad of strategic and critical materials and food essential to the war effort.

4. The preclusive purchasing abroad of strategic commodities which are of importance to the enemy for military or civilian needs and which might otherwise fall into their hands.

5. Assembly and analysis of information relating to the industrial economy of, and general economic conditions within, enemy and neutral countries for purposes of economic warfare, such as black lists, blockade measures, and preclusive buying. Such information is also made available to the military for use in choosing bombing objectives and in other strategic planning.

These functions are in the main those formerly performed by the Office of Lend-Lease Administration and the Office of Economic Warfare. Some of the functions formerly carried on by the Office of Foreign Relief and Rehabilitation Operations relating to relief and rehabilitation activities in liberated areas will, of course, be carried on by the United Nations Relief and Rehabilitation Administration. But the Foreign Economic Administration will assist the military authorities, the foreign government in control or the United Nations Relief and Rehabilitation Administration in the procurement of essential civilian goods in any liberated area if and when called upon to do so.

The Office of Foreign Economic Coordination, the fourth of the constituent agencies of the Foreign Economic Administration, was primarily designed to coordinate the activities of all governmental agencies operating in the foreign economic field so as to avoid inconsistent policies, jurisdictional conflicts and the duplication of effort. With the consolidation of the several agencies into the Foreign Economic Administration, the necessities for this office no longer remained, although close cooperation between the Foreign Economic Administration and the State Department will necessarily be maintained so that Foreign Economic Administration's operations will conform to the foreign policy of the United States.

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## APPENDIX F

### LEND-LEASE AND BEEF AND VEAL

1. We are lend-leasing approximately the same amount of beef and veal to all countries as we are receiving under reverse lend-lease from Australia and New Zealand.

2. During the last 3 years, the United States has produced more beef and veal than in any other 3 years in our history. The average during these 3 years was almost 9,500,000,000 pounds annually. Our biggest previous production year was in 1918 when we produced 8,500,000,000 pounds.

3. We shipped abroad approximately 12 percent of our beef in 1918 to our allies as compared with about 1.3 percent in 1943. In 1918 approximately 1,000,000,000 pounds of beef were shipped abroad, whereas in 1943 we lend-leased only 124,100,000 pounds.

4. The program for 1944 beef distribution includes more than 24 percent for our armed forces, 73 percent for our own civilian population, and about 2 percent for reserves, exports to our own Territories and possessions, etc. Only about 1 percent of our 1944 beef production is scheduled to be lend-leased to all countries—approximately the same amount as our armed forces are receiving from Australia and New Zealand on reverse lend-lease.

## APPENDIX G

## JOINT STATEMENT ON NEGOTIATIONS BETWEEN THE UNITED STATES AND GREAT BRITAIN TO FORMULATE PRINCIPLES FOR REEXPORT OF LEND-LEASE AND MUTUAL-AID GOODS

Secretary of State Cordell Hull and Foreign Economic Administrator Leo T. Crowley today issued the following joint statement:

"Our attention has been called to recent newspaper reports to the effect that the British white paper of September 10, 1941, was being scrapped to give British exporters freedom in the commercial export of articles and materials received under lend-lease, or similar goods. These reports are entirely untrue.

"The white paper was a unilateral declaration of policy by the British Government that it would not permit the reexport of lend-lease goods or similar goods in short supply in the United States except under certain specified circumstances where war supply considerations made it necessary. That policy has been successfully administered for more than 2 years and valuable experience has been gained in its administration.

"With the expansion of reverse lend-lease aid from Britain to the United States to include raw materials, discussions have been undertaken between representatives of the British and American Governments looking toward the formulation of an agreed set of principles on a bilateral basis governing the reexport of lend-lease and mutual-aid goods and similar goods. The discussions have proceeded on the lines of the same basic policy followed under the original white paper. It has also been attempted to work out improved administrative procedures for the effectuation of these policies, based on the experience acquired in this field in the last 2 years.

"Discussions with the British representatives have not yet been concluded and may continue for some time. As soon as it is possible to do so the appropriate committees of Congress will be consulted. Whatever arrangement is finally adopted will protect the interests of American industry and trade to the fullest extent consistent with the requirements of war and will be made public as soon as an agreement is reached."

MARCH 18, 1944.

## APPENDIX H

## EXPLANATION OF LEND-LEASE AID

## (GOODS TRANSFERRED AND SERVICES RENDERED)

*Goods transferred.*

Goods transferred consist of (a) finished munitions such as planes, tanks, guns and ammunition, and ships; (b) war production materials such as steel and machine tools and items such as petroleum products to fuel Allied planes and for other vital war purposes; and (c) agricultural commodities, including principally food-stuffs.

The goods are usually transferred to the recipient lend-lease country before they leave the United States.

*Services rendered.*

Services rendered include principally (a) the repair and servicing in this country of men-of-war and merchant ships of the United Nations; (b) the provision of transportation services necessary to carry lend-lease goods to their destinations; (c) new factory and shipyard facilities built in this country with lend-lease funds for the production of lend-lease goods; and (d) miscellaneous services such as the training in this country of pilots and other personnel for United Nations air forces and certain supply services performed in the base areas abroad.

*Total lend-lease aid.*

Total lend-lease aid, i. e., the total of goods transferred and services rendered, is the best measure of the over-all amount of lend-lease aid furnished to our allies. As of December 31, 1943, total aid amounted to approximately \$20,000,000,000, the composition of which was as follows:

	Amount	Percent of total
Munitions.....	\$10,756,452,000	53.8
Industrial materials.....	4,145,927,000	20.7
Agricultural products.....	2,534,056,000	12.7
Goods transferred.....	17,436,442,000	87.2
Services rendered.....	2,549,693,000	12.8
Total lend-lease aid.....	19,986,135,000	100.0

The above figures are exclusive of the value of goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The total value of such consignments to November 30, 1943, was \$509,892,000.

It is not feasible to allocate certain items of services by country. Furthermore, because of the global nature of the war, the name of the government to which goods are transferred does not necessarily indicate the battle front on which the goods will be used; for example, guns transferred to the United Kingdom may have been used by New Zealand troops fighting in north Africa. Hence, in considering aid by countries, the export figures give a better picture of the part played by lend-lease in the various fronts of the war than do the figures on transfers.

## APPENDIX I

### ALARM CLOCKS FOR AUSTRALIA

1. The American alarm clock production quota for 1944 has been set by the War Production Board at about 5,000,000.

2. About 75 percent, or approximately 3,750,000 alarm clocks, have been allocated for the use of United States civilians in 1944. The balance has been allocated to the Army and Navy and for export to our fighting allies and other countries.

3. Representatives of General MacArthur's staff and the Australian Foreign Economic Administration mission approved a minimum requirement of 100,000 alarm clocks for Australia. This requirement was cut by the Foreign Economic Administration and War Production Board to 70,500. Of the 70,500 alarm clocks allocated to Australia, 18,000 have already been shipped. It is expected that the entire shipment will be completed by spring.

4. Australia has no alarm clock industry. Before the war, there was little demand for alarm clocks since the country was largely agrarian. The war necessitated industrialization which has resulted in the transfer of large numbers of the population to the cities for employment in factories where rotating shifts, long and irregular hours, and Home Guard duties have made alarm clocks a necessity.

5. The distribution of the clocks is controlled by the Department of Supply and Shipping and an essentiality certificate is issued before a clock can be purchased.

## APPENDIX J

At the request of Congressman Gordon, the Foreign Economic Administration furnished the following statement on lend-lease aid to Poland.

### LEND-LEASE AID TO POLAND

Poland was the first country to declare the existence of a state of war with Nazi Germany. After the German occupation, the Polish Government established itself in exile and dedicated the country's remaining resources and its manpower to the defeat of the enemy.

On August 28, 1941, the President declared Poland "vital to the defense of the United States" and therefore eligible for lend-lease aid. Lend-lease aid to Poland has taken many forms. The bulk of our shipments have consisted of clothing and foodstuffs to relieve, in a small measure, the sufferings of the Poles inside Nazi Europe. Pending the liberation of Europe, the United States, under



lend-lease, has joined with the other United Nations in providing food packages and clothing to Polish prisoners. We supply each of the 56,000 Polish prisoners-of-war held in Axis prison camps with an 11-pound food package a month. Each prisoner also receives a suit of clothing annually. Until this program was undertaken the Nazis, distributing similar packages sent to the American and British coprisoners from their homelands, made an elaborate ceremony of the distribution in front of the Poles and told them that their allies were unwilling to contribute to their well-being and relief. The lend-lease program, administered by the American and International Red Cross, has now put a stop to that abhorrent piece of propaganda and exploitation.

In addition to clothing and foodstuffs, Poland has received under lend-lease supplies of ordnance, ammunition, tanks, military vehicles, aircraft and parts, motor transport and parts, and other military equipment for the Polish armed forces in England, Scotland, and the Middle East. The weapons of liberation in the hands of free Poles have contributed to Allied victories in north Africa, the Mediterranean, and in the bombing offensive against Hitler's Europe.

Polish squadrons fly with the United States Army Air Force and the Royal Air Force in missions over Europe. There are now more than 10,000 Polish airmen in the United Kingdom and their bombers have participated in over 600 raids on the continent and against enemy shipping.

Under lend-lease, repairs, and services to Polish naval and merchant vessels, which include degaussing, installation of guns, fittings, radio equipment, armament, and other reconditioning have enabled the unbeaten Polish Navy to aid in protecting the convoy route to Murmansk and to operate in the English Channel. They have played their full part in the war at sea. The Polish Navy has sunk 35 enemy surface vessels and 10 U-boats, as they carry on an unceasing vigil with the fleets of the other United Nations.

Five coastwise cargo vessels have been allocated to Poland under lend-lease charter; four of these vessels have already been delivered and the fifth is scheduled for delivery in the near future.

Arrangements are being made between the Polish Government in exile, the Soviet Union, and the Foreign Economic Administration whereby Polish refugees in the Union of Soviet Socialist Republics will be supplied with clothing and foodstuffs. These refugees, who escaped to the Soviet Union from Nazi-occupied Poland, are the families and relatives whose menfolk are now in the Polish armed forces fighting side by side with the Allies. The Soviet Government has indicated its willingness to cooperate in the delivery of these supplies to the Poles.

While Polish forces, joined with the armies of the United Nations, are poised for the final assault upon Hitler's fortress, the millions of the undefeated peoples in Nazi Europe wage continuous guerrilla warfare against their oppressors. Polish guerrillas in a single month in 1943 wrecked 100 locomotives, derailed 17 trains, destroyed 340 military vehicles, and killed more than 500 Germans including Wilhelm Krueger, the Polish Heydrich. The United States has undertaken under lend-lease to supply Poland with substantial amounts of radio sending and receiving equipment and parts for the operations of the Polish underground.

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## APPENDIX K

### NEWSPAPER EDITORIAL COMMENT ON THE EXTENSION OF THE LEND-LEASE ACT

[Christian Science Monitor, March 2, 1944]

#### FOURTEEN MIGHTY CENTS

For Americans facing simultaneous declarations of war against them by such well-prepared enemies as Japan and Germany, allies were as necessary as armaments and trained fighters. Even now that the United States has built its war machine up to unprecedented proportions and efficiency, it cannot without allies assure itself of the decisive victory which is required if a durable peace is to be achieved.

The Russians have acknowledged that the war against Hitler cannot be won without American supplies. The British have likewise evaluated the American contribution. However, American experience in the war has shown that without the achievements of the Russian Armies, the British Navy, and the Royal Air Force and British and Commonwealth land fighters, the United States would

hardly have been able to marshal its forces in time to preserve a world in which a freedom-loving nation could be safe.

Lend-lease figures cited by Leo T. Crowley before the House Foreign Affairs Committee show that Americans have obtained the priceless services of their allies, and the precious time in which to develop American power potentials, for 14 cents of the war dollar. That is the portion of American war expenditures going into lend-lease—14 percent.

Whatever value lend-lease may have for America's allies, it has been as big a bargain for Americans, British civilians bombed by the Nazis, Russian soldiers offering themselves by the millions—just these two items among many help to explain what has been added to that 14 percent to make it pay the dividends America is now reaping.

True, the United States is still investing 86 cents out of every war dollar in enterprises that must be underwritten by the lives of its own men. But the 14 cents is saving American lives in numbers favorably disproportionate to the cost of the insurance. A vote in Congress to extend the Lend-Lease Act is a foregone conclusion.

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[Washington (D. C.) Post, March 4, 1944]

#### MUTUAL AID

The Lend-Lease Act is doubtless in for a searching review by Congress before its renewal for another year. That is as it should be. Hearings are now under way before the House Foreign Affairs Committee, and a variety of complaints concerning the administration of the act will certainly be presented. But these should not obscure the transcendent fact that lend-lease is now the corner stone of our foreign policy and our war policy. Its extension is the surest weapon for attainment of the victory which it has already brought into view. As Leo Crowley, Foreign Economic Administrator, put it in his testimony on Wednesday—"Not to extend the Lend-Lease Act would be to call off part of the war—and an essential part—just at the moment when we are poised for our greatest offensive."

Lend-lease is merely the name given to America's economic contribution to a great Allied system of mutual aid. The other United Nations have made their contributions in full measure—either through reverse lend-lease in the form of supplies and services for our armed forces abroad or through the effective use against the enemy of the supplies we provided. There is no adequate way to tote up and compare the contributions of one nation against another. Least adequately of all can this be done in dollar terms. The principle which underlies the system of mutual aid is simply that each of the allies shall chip into the common pool as fully as possible in proportion to its resources.

Mr. Crowley presented an illuminating comparison on this score. "Total United States war expenditures, including those for lend-lease," he said, "have increased from approximately one-third last year to one-half this year of our national income. Both last year and this year the United Kingdom, for example, spent more than one half of her national income for the war." But as Mr. Crowley went on to point out, percentage figures of this kind quite fail to tell the story of what the several members of the coalition have given to the common cause in human lives, in wasted cities, and in suffering and effort. This is the consideration which should be dominant in the minds of those who probe into the lend-lease record to see if America has given too much. We should do better to ask if America is giving enough, if she is giving all that she can.

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[New York Times, March 3, 1944]

#### LEND-LEASE BEFORE CONGRESS

Under existing law lend-lease expires on June 30. Yesterday Acting Secretary of State Stettinius appeared before the House Foreign Affairs Committee to urge its continuance for another year. Obviously this must and will be done. Lend-lease is the kingpin of our whole war effort. Without it the offensives of the United Nations in every part of the world would go to pieces. Mr. Stettinius did not overstate the case when he told the committee that an extension of this act is indispensable to victory. "The war," he said, "is not over—not even

almost over. Lend-lease is a powerful weapon which we must maintain and strengthen. The great battles of western Europe and of Asia have still to be fought."

Lend-lease, in another week, will be 3 years old. Its adoption was one of the great landmarks in the life of the American people. Still at peace, we wrote this law upon our statute books because we were even then aware—long before the Japanese attacked us at Pearl Harbor—that our fate as a nation was linked indissolubly with the fate of other democracies which had taken up arms in self-defense; that there was no safety for us in isolation; that only through some method of collective security—and lend-lease is collective security—could the peace-loving nations survive in a world in which aggression had run wild.

It was many months before the stream of goods exported under lend-lease to the nations which were even then our allies, in everything but name, amounted to more than a trickle. But from the day of its enactment lend-lease began to play a part on the great stage of world affairs. It brought fresh courage to the nations fighting for their freedom. It laid the groundwork for what became the grand alliance of the United Nations. It is now the chief inter-Allied instrument of victory.

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[Baltimore (Md.) Sun, March 3, 1944]

#### LEND-LEASE COMES UP FOR A SECOND RENEWAL

The Lend-Lease Act, as renewed on an annual basis last March, will expire with the present fiscal year on June 30. Wednesday of this week the House Foreign Affairs Committee opened hearings on a bill to extend the legislation for another year. At the close of the initial session Representative Sol Bloom, chairman, predicted little opposition within the committee. His prediction should hold for its progress through Congress too.

As a matter of fact, there is no reason why the committee or either the House or the Senate need spend much time discussing the proposal. The very first witness, Leo T. Crowley, Director of the Foreign Economic Administration, outlined clearly and concisely the fundamental issue. Lend-lease, he said, is "an investment in American security" which has already given us "enormous dividends in lives saved and security for our homes and our soil." To fail now to keep it in force would be to cancel "an essential part" of the war effort as we approach its peak.

Long and bitter debate preceded enactment of the original act in the spring of 1941, for we were not yet at war and the mirage of a successful neutrality still shimmered before many Americans. Not once since that historic December 7, however, has the lend-lease principle itself been seriously challenged. Events have justified it beyond dispute. There have been occasional flurries of criticism aimed at details of administration and a few brief arguments over accounting methods. But the program's basic soundness has been almost unanimously recognized.

Though the first extension bill provoked a considerable burst of oratory last year, scarcely a speaker opposed the major purpose. Many of those who had voted against the original act seized the opportunity to justify again their pre-war stand and other Congressmen labored questions concerning post-war settlement of accounts. But the final votes correctly assessed the importance of the bill as an immediate war measure. The House then approved it 407 to 6 and the Senate 82 to 0.

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[Philadelphia (Pa.) Inquirer, March 3, 1944]

#### LEND-LEASE NEEDED FOR VICTORY

While there is little doubt that Congress will extend the Lend-Lease Act for another year, it should be given full information of how the plan has been working out as a guide to the future.

The practical contribution of lend-lease toward winning the war cannot be measured by the dollars-and-cents standard, but it is a consideration we cannot wholly ignore. Before our Nation entered the war lend-lease administration was marked by an unnecessary degree of secrecy which has now, happily, been abandoned.



Since lend-lease "in reverse" began to operate, with some tangible returns from our allies for the aid we were able to render, the system has received general public support.

Before we were in a position to send armed forces to wage the common war we shipped enormous quantities of food and weapons to help those who were fighting our battle as well as their own. In the words of Leo T. Crowley, of the Foreign Economic Administration, it has been "an investment in American security" which has already paid abundant dividends "in lives saved."

Marshal Stalin has just paid tribute to the material assistance rendered to Russia. American equipment has helped Great Britain to produce more planes than all the factories at Hitler's command. Six months ago the British Commonwealth's return contributions to the United States totaled a billion and a half dollars. Britain's excess of lend-lease aid to all the United Nations, above its receipts, amounted to 11 billions.

Since pooling of resources is vital to victory, we must continue to do our part, even if our superior wealth of materials and manpower means the largest contribution of all. For victory is the only thing that counts.

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[New York (N. Y.) Times March 10, 1944]

### THREE YEARS OF LEND-LEASE

Three years ago tomorrow the Lend-Lease Act received the President's signature. The occasion marked the end of our vain effort to remain isolated in an age of air travel and neutral when every interest that was close to us and every principle we valued was in deadly peril. With its provision for "payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory," the lend-lease plan seemed to avoid the pitfall of vast and unpayable inter-Allied debts. The magnitude of its transfers has grown beyond all original expectations. Yet, as President Roosevelt said in his January report, the 13.5 percent of our war expenditures which has gone in this fashion is "as much an integral part of the United States' own war effort as the 86.5 percent that have gone for our own armed forces and for our home front." We have given and we have received, coming far closer to a united economic front than we ever did in the First World War.

The total unpaid debts we had left over from that war came to about fourteen billion dollars. By next fall lend-lease transfers will undoubtedly have reached at least twice that figure. As Secretary Knox testified yesterday before the House Foreign Affairs Committee, the Allies are now "on the threshold of critical offensives against the Axis which will dwarf all previous thrusts." Lend-lease has brought the decisive battles nearer. Planes, tanks, and vehicles to Russia; ships, planes, and other supplies to Britain; aid in large amounts and small to the French, the Brazilians, the Cubans, and some 30 other signatories of lend-lease agreements—all this has strengthened us and weakened our enemies.

This is no time at which to think of payment or repayment. We have had our money's worth, whatever settlements may be deemed satisfactory later on. For nearly 9 months while we were still at peace the fighting men of other nations used our lend-lease supplies to beat down soldiers who otherwise might have stood against us. Our weapons and materials have truly fought for us, in the hands of our friends, since that time. The debt is not all on one side. It has been a matter, as the President said, of mutual aid.

The original Lend-Lease Act ran until June 30, 1943. Last March it was extended—unanimously in the Senate, with only six dissenting votes in the House—until June 30, 1944. A further extension of a year is now proposed. The exact limit is of less importance than is the understanding that Congress and President are agreed that this device has operated to our benefit and to the benefit of our cause and that it should be continued until the emergency is wholly past. A difference of opinion on that score would be tragic. We are confident that it will not arise.

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### GREAT COMPACT

[Washington (D. C.) Post, March 11, 1944]

The enactment of the lend-lease law just 3 years ago today marked a decisive turning point in American foreign policy. No issue was ever more thoroughly or democratically debated. Indeed, the discussion was called the great debate.

When the decision at last was arrived at, we assumed a new place in relation to the outside world. We renounced the doctrine of self-sufficiency, acknowledging that the defense of governments which stood against the evil thing called Hitlerism was essential to the defense of the United States. We recognized in particular that the downfall of Great Britain and its naval power in the North Atlantic would endanger our own security. Accordingly we began to make available to those nations the tools with which to defend themselves, to serve, as President Roosevelt put it, in the role of the "arsenal of democracy."

There was a compelling reason for putting aid to our friends in the form of lend-lease. They had virtually exhausted their dollar resources, and without credit of some sort would have been unable to continue the equipment purchases in this country which were as essential to our own rearmament as to theirs. But we had learned from the experience of World War I that mountainous money loans could never be repaid and could produce only international discord. Accordingly the President sought to remove the dollar sign from the aid we were to render. He stated the problem in terms of his now famous parable of the garden hose. If a neighbor whose house was on fire sought to borrow a hose from us, we would not quibble over the price of it. We would lend it to him and expect it to be returned if feasible, when the fire had been extinguished.

This served well enough as an explanation of our policy until the flames from our neighbor's house engulfed our own. Once we became involved in the conflagration, however, the term lend-lease became a misnomer. We ceased to be lenders or lessors and became, instead, contributors to a great common pool of Allied resources. Lend-lease today is merely the name applied to America's share in a vast program of mutual aid through which the United Nations wage coalition warfare against a common enemy. All members of the coalition are giving to the limit of their capacity—in materials of war and in human lives. To talk of debits and credits in such a relationship is blasphemy. Edward R. Stettinius, Jr., stated this truth with admirable simplicity in his recent book, *Lend-Lease, Weapon for Victory*: "Who can say which of us has given most of what we had to give? We cannot measure their lives against our dollars, or their pounds or rubles against our lives. \* \* \* It would be impossible, indeed a sacrilege, to attempt to balance such a ledger."

Yet this is a vital fact which President Roosevelt has shrunk from making plain to the American people. He stated it once in his eleventh lend-lease report to Congress, then timorously withdrew the words. "Victory and a secure peace," he said, "are the only coin in which we can be repaid." What other coin can we seek if we are to keep this "the most unsordid act in the whole of recorded history?" What other coin can we seek if we are not to create huge new war debts to plague us into future wars? What other coin can we seek if we are not to make a mockery of the great compact through which victory is to be attained? Among the United Nations there can be neither debtors nor creditors; we are allies. It is time that this fundamental fact be understood.

(From the Manchester (N. H.) Union, March 3, 1944)

#### RENEWING LEND-LEASE

The force of the appeal of Leo T. Crowley, Director in charge of lend-lease, to the House Foreign Affairs Committee in favor of the renewal of the Lend-Lease Act, which expires on June 30, is readily apparent. Lend-lease is an essential part of the present war. To discontinue it now would be to cut off one of the most important war agencies at a time when we are poised for our greatest war effort.

There is a strong probability, as Mr. Crowley said, that had it not been for the lend-lease aid that has gone to Britain and Russia we might today be fighting the war without allies. The aid we have given helped to keep Britain in the fight after Dunkerque, and it has been successful in bolstering Russia's strength so that she has been able to stop the German hordes and hurl them back out of Russia.

Lend-lease, therefore, has saved American lives, and it is helping today to shorten the war. Its usefulness and indispensability are beyond doubt. The discontinuance of the program at this time by letting the Lend-Lease Act lapse would be unthinkable. This is certainly one issue that should be kept out of politics and that should be weighed solely on its merits in its relation to American welfare and the progress of the war.

The scope of American lend-lease aid to the Allies is truly amazing. Mr. Crowley disclosed to the House committee that up to the beginning of this year approximately \$20,000,000,000 has been spent in furnishing war supplies to our allies. These supplies include nearly \$11,000,000,000 worth of planes, guns, and

other munitions; over \$4,000,000,000 of industrial items; \$2,500,000,000 of food for soldiers and war workers; and over \$2,500,000,000 in services such as ship repairs and pilot training.

As a result of aircraft engines and parts sent to Britain, the British are able today to produce more planes than all the aircraft factories under Hitler's command. Lend-lease aviation gas has helped to sustain the succession of 1,000-plane raids over Germany. Up to January 1, Russia has received 7,800 fighting planes, 740,000 tons of aviation gas, more than 170,000 trucks, 33,000 jeeps, 4,700 tanks and tank destroyers, 100,000 submachine guns, 1,350,000 tons of steel, and 384,000 tons of aluminum and other important war metals.

Viewing the scope of lend-lease assistance, it is not difficult to estimate what might have been if that aid had not been granted. Twenty billion dollars, it is true, is a lot of money. How much of it will ever be returned to the United States is unknown. But when that sum is put against what this war might have cost us in money and American lives if lend-lease had never been established, the cost is comparatively trifling. There is no question that the adoption of the lend-lease program was one of the most brilliant strokes in the present war. In fact, it is not too much to say that eventual victory will depend upon it, and it is hoped that Congress will not hesitate to keep that program in force until the war is won.

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[From the Springfield (Mass.) Republican, March 13, 1944]

#### LEND-LEASE EXTENSION

It is politically fortunate, speaking in terms of congressional opposition to the administration, that lend-lease in reverse now makes so substantial a showing. The British Commonwealth of Nations alone has spent \$2,000,000,000 to aid our forces, and, says Mr. Stettinius, the other allies "are giving aid in increasing volume." Lend-lease is no longer a one-way street.

The original act of Congress, signed by the President 3 years ago, must soon be renewed for another year, inasmuch as it will expire by statutory limitation on June 30. No doubt prevails that renewal will be voted. A year ago the act was extended by a unanimous vote in the Senate and by 407 to 6 in the House. Since then lend-lease in reverse has made an impression, while the past year's Allied victories in north Africa, Italy, and Russia have brought cumulative evidence that the lend-lease aid the United States is still extending has been fighting our battles on the most critical battle fronts.

Many of the United Nations have received American aid under this law, but the chief beneficiaries have been Russia and Britain. Secretary Stinson recently told a House committee that Russia "is to a substantial degree dependent upon the United States in maintaining her lines of communication." Administrator Crowley said that the lend-lease shipments to Russia up to December 31, 1943, included 170,000 trucks; 33,000 jeeps; 25,000 other military vehicles; 4,700 tanks and tank destroyers; 100,000 submachine guns; 1,350,000 tons of steel; 384,000 tons of aluminum, copper, and other metals; \$400,000,000 worth of industrial equipment; 7,800 planes; 740,000 tons of aviation gasoline and other petroleum products, and 145,000 tons of petroleum refinery equipment. Shipments to Britain included 3,900 planes; \$460,000,000 worth of aircraft engines and parts; aviation gasoline; 4,800,000 tons of steel; 460,000 tons of nonferrous metals and other essential raw and fabricated materials.

When the act was passed in March 1941 the vast extent of its financial operations was envisaged by no one. Senator Taft, at first in opposition to the measure, proposed as a substitute for it an outright war loan of one or two billion dollars, mainly to Britain. Such a loan would have been unneutral for a government to underwrite. At that time Russia had not entered the war, nor had Japan struck us at Pearl Harbor; and so lend-lease at the beginning of its operations was a comparatively small enterprise, if it was plainly unneutral. But, on last December 31, lend-lease aid by the United States, now fully belligerent, totaled \$19,986,000,000.

If an effort to amend the act in an important respect should be made in Congress, when renewing it, section 3 (b) would probably be the target of attack. That section provides: "The terms and conditions upon which any such foreign government receives any aid authorized \* \* \* shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory."



Restrictions on the President's discretion, under section 3 (b), could conceivably be made, mainly as part of the drive of Congress to curtail his power and enlarge its own. But post-war control of the liquidation of the lend-lease obligations of the Allies to the United States has economic implications that suggest a struggle for power by economic groups in this country.

That this spring is scarcely the time to stage such a fight, when the war is by no means won, is clear. Yet at least the beginnings of a future conflict are not unlikely to emerge. One Representative, Mr. Vorys, of Ohio, will probably try to have the official name of the law changed from "An Act to Promote the Defense of the United States" to "Mutual War Aid Act."

That would be merely a starter designed to test the strength of congressional sentiment in favor of overhauling section 3 (b) pretty drastically. If the title were changed, according to this conception of parliamentary strategy, the way would be opened for other amendments.

What's in a name? In this case, there might be plenty. Existing circumstances plainly indicate that the act should not be rewritten at this time. What was good enough a year ago is good enough now.

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[From the Worcester (Mass.) Telegram, March 12, 1944]

### SUSPICIONS MUST NOT CLOUD VITAL ROLE OF LEND-LEASE

Three years ago today the country, under the President's first lend-lease directive, was speeding to embattled Britain 28 torpedo boats, and a comparative handful of depth-bomb charges and naval guns for mounting on merchant ships. The Congress, after passage of the Lend-Lease Act on March 11, was appropriating \$7,000,000,000 to furnish weapons to the fighting democracies.

This original appropriation has grown to some three times that amount. The country is spending a billion dollars a month on lend-lease supplies. Thirteen and a half cents of every dollar spent for war by the United States go to furnish the British, the Russians, the Chinese, and our other allies with the tanks, guns, and planes, and food and clothing vital in the fight against the Axis. Lend-lease has become the "powerful weapon" of the United Nations.

On this third anniversary of the launching of the lend-lease program, the issue is again before the American people. Under existing law, lend-lease will expire June 30. Congressmen are again preparing to vote on its continuance, and some of the die-hard isolationists of the Nation—or nationalists as they now prefer—are having a field day in spreading doubts and suspicions about the entire lend-lease program.

It is unthinkable, of course, that lend-lease, keystone of the American war policy, would be dropped. The Congress demonstrated the general stand of the country when it continued the act last year by a vote of 407 to 6 in the House and 82 to 0 in the Senate. There is indeed no question of its continuance this year.

Yet there is no blinking the fact that suspicions, doubts, misunderstandings, and downright resentment do exist in the country regarding this vital policy so necessary to the Nation's defense. Many of the suspicions are spread by word of mouth at dinner tables or over back-yard fences. "They're sending all the butter to Russia." "We're supporting the world." "It's a plan to make over the world after the war."

Even a responsible national weekly, with an enormous circulation, gave editorial approval to this thinking recently when it commented that the "national substance" was "being thrown gaily and gladly to the four winds," and people abroad were snickering at us as a Lady Bountiful who might some day have to look in the dictionary for the word "gratitude."

A small, but nonetheless noisy, group of Senators has been busily engaged in trying to discredit lend-lease. "We have been a sucker to the 'nth degree," Senator Ellender has shouted. "The most colossal dole of all time," has been Senator Butler's view. "The giving away of the taxpayers' money lavishly to every Tom, Dick, and Harry is little less than criminal," says Senator Wheeler.

There are questions too in the minds of many of the 55,000,000 income-tax payers who this week will settle their accounts with Uncle Sam. Is the United States engaged in charity abroad on a one-way basis? Are the lend-lease books ever to be balanced? Will we spend the post-war years in squabbling about lend-lease "debts"? and, "Have we gotten our money's worth out of this anyway?"

Demands have already risen that the recipients of lend-lease aid make definite commitments now to pledge the repayment of such help. There are those who want the British to cede outlying bases and territories to the United States in payment for the materials we have sent them. Indeed one of the loudest domestic uproars of the war was heard when Mr. Roosevelt, at the time of the Quebec conference, wrote in a letter that there must be no war debts after this war, "and victory and a secure peace are the only coin in which we can be repaid." So loud was this uproar that the President recalled those words.

It is this indeed that these suspicions and doubts be cast aside, and that the people look upon lend-lease in its proper perspective in the war. In spite of persistent attempts by some to show that lend-lease is an instrument we are using to fight England's war, or Russia's war, or China's war, it must be realized that it is primarily a weapon to fight out own war. It was that 3 years ago, before America entered the war, when those lend-lease torpedo boats and those naval guns of the first directive helped give us precious time to be ready for the inevitable blow which finally came.

There can be no monetary yardstick on such a policy, nor can Uncle Sam ring a cash register on shipments to his allies. No Russian, Chinese, or British, considering their bloody sacrifices in the one war against the aggressors, need feel apologetic to the United States when looking at the lend-lease balance sheet. Nor can Americans assume a smug self-righteous attitude in contemplating the same balance, and say after the war: "See here, we have paid for your war. How about paying us back." There can be no balance sheet set up to measure the degrees of sacrifice in money and blood of any of the fighting nations. It is one war, and every dollar we have spent on lend-lease has saved the lives of American boys.

Those who charge the United States with being a Lady Bountiful, casting her largess around the world with reckless abandon, forget that only 1 pound of butter in every 100 has been shipped abroad, and that 1 pound has gone to fighting Russians. They ignore the facts that food exports under lend-lease amounted only to 6 percent in 1942 and 10 percent in 1943.

Neither the British white paper, which rather timorously mentioned "reverse lend-lease," nor the President's announcement on the same subject last fall have quite allayed the notion that the Nation is engaged in a gigantic one-way charity. Great Britain now is supplying about one-half the food our troops eat in England. Australia gave American troops her full production of some items of food, her finest hospitals, and housing. New Zealanders restricted themselves to one suit a year to provide cloth for Americans. The dollar measure of such reverse help has been small, of course, compared with the dollar value of the goods and equipment we have sent, but in the common pooling of resources there can be no point in financial comparisons.

There have been mistakes, of course. Perhaps there has been some extravagance. Senate committees already are ferreting out such instances, and it is the obligation of the lend-lease administrators not to waste the peoples' money. Lend-lease has not been perfect, but it has been the device which must be given credit for bringing into force the full power of the country against the Axis in the hands of those who are fighting not alone their battle, but our battle too.

The nonmilitary uses of the lend-lease program after the war pose a question too. The American people will watch carefully any signs of using such an instrument to foster a world new deal. But by then the world fire will be out. The American people, remembering the President's analogy in explaining lend-lease, will then decide what to do with the fire hose they loaned their neighbors to put out the fire.

Perhaps the American people will some day have to look in the dictionary for the word "gratitude." But if we start worrying now about how grateful our allies should be to us, and if our allies are reminded daily about the growing size of the lend-lease balance, then the common purpose of lend-lease in defeating Hitler and Japan might be forgotten.

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[From the Bridgeport (Conn.) Post, March 12, 1944]

#### LEND-LEASE AND OTHER EXPENDITURES

"If it were not for lend-lease, our own expenditure of lives, material, and money would of necessity be far greater."

In this single sentence President Roosevelt, in making his report to Congress on lend-lease, summed up the most important single argument for the continuance

of this policy. It tells the whole story. It justifies our continuing the program as no other argument can justify it.

If we can save the lives of our own boys, and expedite the winning of the war, thereby bringing them home sooner, lend-lease is justified by irrefutable argument.

Unfortunately the same argument cannot be applied to any waste of funds at home or in areas not concerned with the war.

It does not justify reckless fan dancing in South America with American millions. It does not justify the attempt to set up a world-wide Work Projects Administration at the expense of the American people.

It does not justify such costly blunders as the Canol oil project in Canada or possibly Mr. Ickes' pipe line in Arabia. It does not justify any waste of money in the winning of the war.

Lend-lease at least has this to be said in favor of it, that it is aid directly given to our allies whose men are fighting the war alongside our own.

We'd favor cutting out all the idealistic projects for spending money because the more money wasted in fantastic schemes in South America and all over the globe the slower we shall be in winning the war and the longer it will take to get our boys back.

That is just the opposite of the argument advanced to justify lend-lease.

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[From the New Haven (Conn.) Journal-Courier, March 6, 1944]

#### LEND-LEASE SHOULD BE EXTENDED BEYOND EXPIRATION DATE OF JUNE 30

It would be unthinkable for the United States to decline to renew lend-lease beyond its expiration date of June 30. This fact is appreciated by home folks and Congressmen, by Republicans and Democrats, by civilians and military. So the current hearings before the House Foreign Affairs Committee on the extension of lend-lease are not calculated to stimulate opposition to the bill but rather to explore its functioning and to suggest improvements.

Up to this point, Congress has seen and learned about lend-lease pretty much what the executive branch has wanted it to see, although the five touring Senators did inquire into the operation on their round-the-world trip last year. The fact that the reports are generally good and that Mr. Stettinius directed its activities during most of its life should not encourage slipshod investigation by the legislators.

One Congressman asked Mr. Stimson the other day whether we will be able to reclaim the surplus equipment which will be in Russian hands at the end of the European phase of the conflict. The Secretary was not much interested in the problem and put his answer into the words that it would be "folly to get into any financial acrimonies with your allies during a war." But that doesn't quite answer the Congressman's question, and there may be other questions on which the executive branch may not have the same point of view as the Members of the House and Senate. Further, if curbs need to be put around lend-lease aid in the final months of the war, Congress now has the opportunity to see that they are incorporated into the new bill.

On one phase of lend-lease operation there still remains uncertainty in the minds of the American public, and that is the reshipment by one Allied recipient to another. Britain more than any other beneficiary has found it necessary or desirable to pass along a percentage of our goods to another one of the United Nations. Congress would do well to clear up this and any other uncertain points that it uncovers during the hearings.

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[From the Hartford (Conn.) Courant, March 13, 1944]

#### LEND-LEASE THEN AND NOW

Official spokesmen for the administration have cited weighty figures before the House Committee on Foreign Affairs in support of their unchallenged arguments that the Lend-Lease Act should be extended beyond its expiration date of June 30. This is the second time that such extension of the law, originally passed on March 11, 1941, has been sought. It should be, it must be granted, if the war is still on. And who doubts that it will be raging through the coming summer and autumn?



Besides the statistics presented before the House committee covering America's contribution to other nations and those items emphasized as lend-lease in reverse—that is, the aid other nations have accorded to us—it is argued that this law is “the cornerstone” of our contribution to the war being waged by the United Nations. For such an argument the administration's spokesmen could never have quoted themselves or their own legislative leaders when the law was first under discussion. At that time Senator Barkley, the majority leader, solemnly assured his colleagues that “House bill 1776, an act further to promote the defense of the United States, and for other purposes” was a step to keep this country out of war. Senator Maloney, of Connecticut, voted for the bill, arguing that it “is designed to keep our country from becoming involved in war.” Frequently House bill 1776 was defended as a “substitute for war” or a measure “short of war.” Wendell Willkie asserted that it was a means of preserving the peace. The misnamed cornerstone for peace is today more correctly hailed as the key to the arch of war making.

In support of this renewed plea to extend lend-lease the administration might have cited the testimony of those who opposed the law in 1941. “It is essentially a war bill,” Gen. Robert E. Wood told Congress. Or, instead of taking the time of the House committee, the proponents of the bill might have filed with the committee the minority report of the Senate's Military Affairs Committee opposing House bill 1776. That report admirably set forth the bill's usefulness as a war measure.

Of course we are not oblivious to the fact that war struck from a different quarter on December 7, 1941, from that which had been contemplated when the debate over lend-lease was under way. Whether that blow was hastened by the speed with which America was becoming the “arsenal of democracy” may forever remain a secret known only to the military clique in Japan. Nor could we view with equanimity the defeat of the present bill to extend the life of the Lend-Lease Act. It is essential to the waging of this global war. In asking for its continuation, the administration today presents the law in its true light for what it is: a war measure, completely and fully so. It never was a “step short of war,” but a step into war. The course of history has, indeed, set in its proper place.

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[From the Hartford (Conn.) Times, March 18, 1944]

#### AS WE RENEW LEND-LEASE

It is taken for granted that the necessary legislation will be promptly forthcoming to extend lend-lease for another period. Obviously the program could not be abandoned at this time. Probably there are very few citizens who think that it should be.

Not only is the Nation told of the vast help which the war against the Germans and the Japs has received from the tremendous output of American factories sent abroad under the law, but great stress is laid upon the contributions which we have received under what is called reverse lend-lease. Apparently, to assure the easy renewal of lend-lease and to gloss over the fact that we are unlikely ever to receive repayment for any considerable amount of the aid which we have furnished, an effort is being made to convey the notion that lend-lease is practically a two-way proposition. And even if it were not, it is a smuch our war as anybody's so what if we do have to pay more than others? Something of that was implied in the remarks of Lord Halifax at Boston when he reminded how Britain held the fort for us in 1940 when we were not ready for war.

Yet that does not quite tell the whole story. It is as much our war as it is our allies war, now that we are in it. But that was not true of its inception. We washed our hands of responsibility for European affairs after the First World War. The nations of the Old World were well aware that the maintenance of peace on the European Continent was entirely up to them. Yet France and England permitted the rise of both Mussolini and Hitler. They winked at the conquest of Ethiopia. They fancied there was an advantage in permitting Hitler to erect a bulwark between them and Bolshevist Russia. They permitted the Fascist powers to tear down the Spanish Republic.

We have our share of responsibility for our refusal in 1919 and 1920 to stand with the other nations to preserve peace. Apart from that we did not share equally in the responsibility for the various situations that led up to the present struggle.

It will profit us nothing to lose sight of those facts. We do not have to accept the view that this is as much our war as anybody else's and we are, therefore, called upon to bear the heavier share of its cost because we are a greater and a more prosperous nation and are the better able to do so.

We are under that necessity, it is true, but it is not because we are the equal sharers of responsibility. It is because events have drawn us into the same situation in which the other nations find themselves and we must pay whatever price is necessary to fight our way out victoriously.

That should not prevent us from being realistic about how the whole matter came about. It should also teach us what is far more important, namely, that we cannot hereafter, with any safety to ourselves, attempt to shake off responsibility for what goes on in the world.

If we neglect to contribute to the maintenance of the peace, once this war is done, we shall ultimately find ourselves again facing the same situation which steadily grew upon us in the years before Pearl Harbor. A realistic view is needed about that no less than about the basis of our responsibilities.

We should vote to continue lend-lease because it is a matter of self-preservation to do it. But let us also see to it that we conduct ourselves hereafter in such fashion that the need for playing beneficent uncle to the rest of the world will not again arise.

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[From the Utica (N. Y.) Observer-Dispatch, March 13, 1944]

#### LEND-LEASE WILL CONTINUE TILL NEED ENDS

Yesterday marked the close of 3 years of our lend-lease system, whereby the United States, to put the matter on a commercial basis, has invested materials in foreign opposition to the Axis. Needless to say, the investment has proved to be most profitable.

In a more idealistic sense, lend-lease made the products of our factories available to deter the Axis, in its predatory rampage, while we were girding our loins for the defense we expected we'd some day have to make with our own arms and men.

However viewed, lend-lease has done much to implement other nations opposed to our common enemy. Russia and Great Britain have had the most benefits, although the use of those benefits has been for our own protection, too.

The commercial angle will never be altogether ruled out of discussion of lend-lease, and Congressmen are already considering the economic settlement which will follow the war. Arguments of this nature will no doubt accompany renewal of the Lend-Lease Act which expires June 30.

But there can be no doubt the act must be renewed. The shipments we have made up to the first of the year amounted to \$20,000,000,000, and the money value of British materials and services to our troops has been estimated at \$1,500,000,000.

The fighting of the British, the Russians, and the Chinese since they were first involved in war cannot be valued in the same terms. But it is the more important.

Administrator Crowley, of the Foreign Economic Administration, has said that lend-lease has not interfered with the United States creating "the greatest army and navy air forces in the world." This applies to our forces as a whole, possibly.

Confining his discussion to aircraft, Crowley pointed out that while we had shipped 21,000 American-built planes under lend-lease, and sold 7,000 more to Allied nations on their cash payment, we had at the same time built 150,000 airplanes, leaving 122,000 for our own use.

It was stated by Secretary of War Stimson this month that "the Union of Soviet Socialist Republics is to a substantial degree dependent upon the United States in maintaining her lines of communication" by the transportation equipment supplied under lend-lease.

We remain the great arsenal of the Allied Nations. Since we welcome Allied help in the blood-spilling job of defeating the Axis, we can afford to forget the dollar angles of lend-lease. It is vital the supplies be laid down where needed as long as the war lasts, regardless of method of repayment, if any.

[From the New York (N. Y.) Times, March 16, 1944]

### INVESTMENT IN SECURITY

The third anniversary of the Lend-Lease Act last Saturday found that once controversial measure pretty generally and thankfully accepted in this country. In money and goods this country has given considerably more than it has received. The figure at the end of the year was close to \$20,000,000,000 and presumably it is now close to \$23,000,000,000—possibly more, for the wheels of war have been turning faster and faster. This is more than the public debt of the United States in 1933. It is over four times greater than the total expenditures of the Federal Government in the same year. It is probably increasing more rapidly than the total income of the Federal Government for the fiscal year ended June, 1942. In other words, it is a lot of money, though at the end of 1943 it represented only 14 percent of our total war expenditures.

But, as was agreed in a statement endorsed at both ends of Pennsylvania Avenue, lend-lease has been "an investment in American security so sound that it has already paid us enormous dividends in lives saved and in security for our homes and soil." To take a single item, it has sent 21,000 planes to our allies, of which 7,800 went to Russia. Russia, indeed, has had 27 percent of all our lend-lease exports. We can claim some small part in making effective the skill and courage of the Russian Army. The United Kingdom has had a gross total of a little over 42 percent, but has turned over to us more than \$2,000,000,000 in reverse lend-lease. According to Sir Stafford Cripps, British Minister of Aircraft Production, Britain, with a population one-third that of the United States, has assumed in obligations to her allies \$10,000,000,000 more than she has received. Her profit, like ours, is in other and more valuable goods than money can buy.

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[From the Philadelphia (Pa.) Bulletin, March 29, 1944]

### WHAT WE GET

Lend-lease was conceived as a common pool of the resources of the United Nations, some of which are of such a nature that application of the dollar sign is next to impossible. Timeliness of aid, for example, is difficult to appraise.

But it is important that from time to time there should be an accounting on all sides of this assistance. We report periodically on what we lend-lease to other nations; Britain has just come forward with an impressive statement of what she is doing for us.

At the peak of construction work on bases in the United Kingdom two-thirds of all the civil and military labor available there was working for the United States, but being paid by Britain. Both the *Queen Mary* and *Queen Elizabeth* have been devoted to our transport service. Britain now is supplying 20 percent of all the food for American forces there, and about 10,000 British civilians are employed by the United States but paid by Britain, their wages amounting to \$12,000,000 a year. Britain also pays the cost of handling V-mail in that country.

Britain is currently devoting 10 percent of her total war expenditure to mutual aid, and in proportion to national income is giving the United States as much as we are giving her. The full list of supplies and services furnished us is impressive. The volume and variety are important, chiefly in demonstrating to Americans that lend-lease is not a one-way street. But of far greater moment is the contribution of each nation in accord with its ability.

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[From the Scranton (Pa.) Tribune, March 4, 1944]

### RENEWAL OF LEND-LEASE

Renewal of lend-lease is before the Congress again. It is proposed to extend the bill to June 30, 1945; the measure otherwise would cease to have validity after June 30 this year.

Once the target in a stormy controversy, lend-lease is expected to be renewed for another year without much difficulty. The act was extended last year for 12 months by unanimous vote in the Senate and with only six dissenting votes in the House, including Crawford, Hoffman, and Woodruff, of Michigan, Brehm, Jones, and Smith of Ohio, all Republicans.



While renewal of lend-lease is a certainty, a strong fight may develop to amend it or insert clarifying provisions. The 1943 hearings in the House on renewing the 1941 act and the Senate debate in 1943 on lend-lease appropriations brought out much discussion of such problems as the post-war fate of air and naval bases built on foreign soil by the United States; the disposition of islands in the Pacific; oil, rubber, and metallic resources of the world after the war; lend-lease supplies from our allies, the so-called reverse lend-lease.

Through successive steps the administration has prepared for a renewal of lend-lease. Last November 11, the President issued an extensive review of lend-lease. Under Secretary of State Stettinius, formerly Lend-Lease Administrator, put out a book this year on lend-lease entitled, "Weapons for Victory." On February 27 last, Foreign Economic Administrator Crowley issued a detailed account of the lend-lease aid given to Russia.

The record shows that up to the end of November 1943 the United States had furnished \$18,600,000,000 in lend-lease aid. At the close of June 1943 the British Empire had furnished the United States \$1,200,000,000 in reverse lend-lease, with Russia and China not in a position to furnish much except services for American ships and seamen reaching their shores. The British say that about 10 percent of their war expenditures are being devoted to mutual aid. About 10 percent of the civilian food supply of the British Isles is now lend-lease from the United States, but last December more lend-lease food shipments went to Russia than to the British Empire.

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[From the Wilmington (Del.) News, March 10, 1944]

#### OUTPUT FOR WAR

Proud as Americans have a right to be over the tremendous achievements of this country's war industry, built up over a few short years to a point where it has no rivals anywhere, we owe it to our allies as well as ourselves to recognize that miracles have also been performed elsewhere. It will do us no harm to admit, indeed, that in some respects we have yet to match the records set by other countries.

This observation is pertinent in view of the testimony given by Foreign Economic Administrator Leo T. Crowley when he appeared before the House Foreign Affairs Committee to urge extension of the Lend-Lease Act. Mr. Crowley presented figures showing that reverse lend-lease is now mounting to sizable proportions—we are now getting aid from the British, for example, at the rate of \$2,000,000,000 a year. But he made another point that is even more interesting.

Great as the American contribution to the total war effort has been in absolute terms, Mr. Crowley said, it is only now reaching a level where it is relatively on a par with that of either Britain or Russia. Both of these countries have been devoting more than half of their gross national production to war purposes. Until recently the United States had not attained that goal.

But we have reached it now, and considering that this country started much farther back it is remarkable enough that we have arrived at it thus quickly. After all, the Russian system was geared for war long before Germany attacked Poland. Britain began to prepare at least 2 years before the United States. There is certainly nothing to apologize for in the American record as it has been written since we took the task to heart.

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[From the Asheville (N. C.) Citizen, March 7, 1944]

#### LEND-LEASE

"An essential part of our mechanism for waging war"—that is how the House Foreign Affairs Committee described lend-lease last year when it unanimously recommended another extension of the system. Now the Lend-Lease Act of 1941 is up again for renewal. In the last few days the House committee has heard testimony supporting the extension from a number of officials, including Secretary Stimson, Acting Secretary of State Stettinius, and Foreign Economic Stabilization Director Crowley.

In the light of Congress' periodic and almost unanimous endorsements of lend-lease, these regular hearings would seem to be a waste of time. Yet they serve a most useful function. The public is regularly brought up to date on interallied

aid and cooperation. It receives a formal accounting of how this money—14 percent of our total war costs—is spent. And it is constantly reminded of the constructive purpose behind mutual war aid, which is tending to set a pattern for future world cooperation in peace.

Lend-lease is 3 years old this week. It is no exaggeration to say that without this "essential mechanism" our principal allies, Britain and Russia, could not have withstood the terrible fury of the German war machine, for so long. American guns, tanks, and planes helped to rearm the British after the retreat from Dunkerque stripped them of most of their defensive weapons. American supplies funneled through Persia and the Caspian sea buoyed the Red Army for its heroic defense of Stalingrad, the turning point of the war.

But lend-lease, as has been said so often, is not a one-way street. American bomber squadrons in Britain use British-built airfields and barracks. American troops in Australia wear Australian-made uniforms and eat Australian food. This is reciprocal lend-lease, and it is valued at more than \$1,500,000,000. Russia's reciprocal aid has been small for obvious reasons—small, that is, in material contribution. In human blood it has been prodigious.

Twenty billion dollars, our share of lend-lease, is an enormous sum. But its expenditure has been amply justified wherever men who bear our arms are killing Germans and Japanese. Can any real dollar estimate be set upon its benefits? We think not. Mr. Crowley is forever right when he reminds: "Freedom is never free. It is often bought dearly and this time is no exception."

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[From the Winston-Salem (N. C.) Journal, March 11, 1944]

#### IT WILL BE RENEWED

Although there is sure to be considerable debate on the question of renewing the Lend-Lease Act, we think it is certain to be reenacted in the end. Last year the act was extended for 1 year by unanimous vote in the Senate and with only six dissenting votes in the House—all Republican.

There was naturally much more opposition to the original Lend-Lease Act, for then the United States had not been attacked. The act was passed in 1941, however, by a vote of 2 to 1 in the Senate and 3 to 2 in the House, with 63 percent of the Republican Senators and 85 percent of the Republican Representatives in opposition. It is clear now that this action by our Government saved the day for the forces opposing Hitler in Europe, and made it possible for them to become our own strong allies after the United States was forced into the war by Japan's treacherous attack on this country.

But while the Lend-Lease Act is sure to be renewed for another year, a strong fight will be made, no doubt, to amend it. The original act had to run the gantlet of many amendments.

One amendment, added over administration opposition, provided that the President's powers under the act could be ended at any time by concurrent resolution of Congress, not requiring the President's approval.

The 1943 hearings in the House on renewing the 1941 act and the Senate debate the same year on the lend-lease appropriation brought out much discussion of such problems as the post-war fate of the air and naval bases built on foreign soil by the United States; the disposition of islands in the Pacific; oil, rubber, and metallic resources of the world after the war; lend-lease supplies from our allies, the so-called reverse lend-lease. The Truman committee has issued reports on lend-lease operations, which are being investigated also by a Senate Appropriations Committee.

The administration has prepared for the renewal of the Lend-Lease Act by a number of steps. Last fall, President Roosevelt issued a comprehensive report on reverse lend-lease. His last quarterly report on lend-lease operations, issued in January of this year, went into such problems as oil resources. Under Secretary of State Stettinius, formerly Lend-Lease Administrator, put out this year a book on lend-lease as "Weapon for Victory." And Foreign Economic Administrator Crowley recently issued a detailed account of the lend-lease aid given Russia.

In the debate on the original Lend-Lease Act in 1941 Senator Bob Reynolds proposed an amendment whereby the Soviet Union should be ineligible for lend-lease aid. The amendment seemed meaningless, except as a manifestation of suspicion toward Russia. Russia was then the ally of Nazi Germany, and as such hardly a nation whose defense was vital to the defense of the United States—the

test of availability in the Lend-Lease Act. However, the Reynolds' amendment mustered 35 votes to 56 for rejection.

Up to the end of November 1943 the United States had furnished 18.6 billion dollars in lend-lease aid. By the end of June 1943 the British Empire had furnished the United States 1.2 billion dollars in reverse lend-lease, with Russia and China not in a position to furnish much except services for American ships and seamen reaching their shores. The British report that about 10 percent of their war expenditures are being devoted to mutual aid. About 10 percent of the civilian food supply of the British Isles is now lend-lease from the United States, but last December more lend-lease food shipments went to Russia than to the British Empire.

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[From the Greenville (S. C.) News, March 11, 1944]

#### LEND-LEASE EXTENSION

It ought not to require much argument from administration spokesmen to secure prompt congressional action to extend for another year the Lend-Lease Act which expires June 30.

Whatever differences there may be between Congress and the administration over domestic issues, this is a policy which is so obviously vital to victory that it is difficult to see how any conscientious Congressman can raise any reasonable objection.

There is no question but that our shipments of war goods to Russia, for instance, have played a most vital part in the present successes of the Red Army; it is indeed possible that without any such aid the Germans might still be occupying a great part of rich Russian territory with the military situation there still very much in doubt. That we must continue the lend-lease policy to aid our allies to make the most effective fight until victory seems too obvious to need argument. There is, for example, the absolute necessity to continue to build up the strength of Free China, since we are planning to use China as the major base for the knock-out of Japan.

And lend-lease, as has been pointed out heretofore, is not a "one-way street." Leo Crowley, Foreign Economic Administrator, has revealed that reverse lend-lease aid from the British Commonwealth of Nations to the United States totaled over \$2,000,000,000 up to last December 31, and is now running at the rate of \$2,000,000,000 a year. The air offensive against Germany and the invasion coasts would not have been possible on the present scale without both lend-lease and reverse lend-lease, he stated. There is every good reason why Congress should promptly approve the extension so that no uncertainty as to the future shall exist in the minds of any of our allies.

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[From the Miami (Fla.) Herald, March 3, 1944]

#### MUST BE EXTENDED

Hearings are now being held by the House Foreign Affairs Committee on a resolution to extend the Lend-Lease Act 1 year beyond its present June 30 expiration date. Acting Secretary of State Edward R. Stettinius, whose work as Lend-Lease Director won congressional commendation, warned Congress against weakening the program at a time when "the great battles of Western Europe and Asia have yet to be fought."

His testimony was weighed with measured evaluation which should bear full weight. He warned against enemy propaganda designed to split the United Nations "when we are poised for our greatest offensives." His summing up of the danger of any change in the lend-lease and reverse lend-lease program was not for Congress alone, but for all the American people:

"We in the United States, fortunate enough to be out of range of arms and shells, should never forget that the war has not been won. So long as the war continues, so long must the flow of supplies to the war fronts be maintained. This cannot be done without the lend-lease mutual war aid program. It is indispensable to the most effective possible prosecution of the war."

It is inconceivable that Congress should not continue the program which has proved "to be a good weapon," enabling the United Nations to pool their resources so they can "strike the hardest possible blows against the enemy \* \* \* upon whose smooth and continuous functioning we depend for victory," Lend-lease must be extended.



[From the Miami (Fla.) Herald, March 16, 1944]

### BOTH SHOULD BE EXTENDED

Congressional committees are holding hearings on the Lend-Lease and Emergency Price Control Acts, which, if not extended, will expire shortly. Anti-subsidy factions in Senate and House are said to be preparing to pin a ban on subsidies to the bill to keep the Office of Price Administration alive, while the lend-lease measure will be used further to restrict the President's powers.

Although neither of these laws is perfect, they are two of the strongest pillars holding up the war effort on the home and foreign fronts. Amending them constructively is one thing. Weakening them would gravely injure this country and its allies. The need is for statesmanship on both matters.

From the Miami (Fla.) Herald, March 20, 1944]

### DIVIDENDS FROM 14 CENTS

Information being laid before the House Foreign Affairs Committee as it considers the extension of the Lend-Lease Act reinforces the widely held conviction that this plan for aiding our allies has proved to be an excellent investment.

The supplies which we sent to Russia and Great Britain helped turn the tide against the Nazis at a time when our Army and Navy were not yet ready to bear the brunt of battle against the enemy.

In terms of shortening the war and saving lives—American lives, we mean—the lend-lease material has paid great dividends. In fact, it is hardly decent to rub our hands in satisfaction, since our allies paid their share of the cost of halting the Nazi advance by contributing both materials and men.

Figures cited by Leo T. Crowley, Foreign Economic Administrator, show that all these benefits have been obtained at a cost that amounts to only 14 percent of our war expenditures.

In other words, only 14 percent of each war dollar goes for lend-lease. Nor does that tell the whole story. In reverse lend-lease—food, quarters, and equipment for our men abroad—the net cost is being considerably reduced.

It would be hard to find any phase of the whole war effort for which money is being spent more advantageously than for this material aid to our fighting allies.

[From the Shreveport (La.) Times, March 2, 1944]

### EXTENSION OF LEND-LEASE

The House Foreign Affairs Committee is starting hearings on the bill to extend until June 30, 1945, the Lend-Lease Act of 1941, which otherwise would cease to have validity after next June 30.

Little difficulty is expected in renewing the Lend-Lease Act for another year. Last year the act was extended for 1 year by unanimous vote in the Senate and with only six dissenting votes in the House.

There was naturally much more opposition to the original Lend-Lease Act, for then the United States had not yet been attacked, and a considerable body of opinion held that the Nation should be strictly neutral toward the war in Europe. The act was passed in 1941 by a two to one vote in the Senate and a three to two vote in the House.

Although, the Lend-Lease Act is sure to be renewed, a strong fight may be made to amend it or to insert clarifying provisions. The original act had to run the gantlet of many amendments. One, added over administration opposition, provided that the President's powers under the act could be ended at any time by concurrent resolution of Congress (not requiring Presidential approval).

The 1943 hearings in the House on renewing the 1941 act and the Senate debate in 1943 on the lend-lease appropriation brought out much discussion of such problems as the post-war fate of the air and naval bases built on foreign soil by the United States; the disposition of islands in the Pacific; oil, rubber, and metallic resources of the world after the war; lend-lease supplies from our allies, the so-called reverse lend-lease. The Truman committee has issued reports on lend-lease operations, which are being investigated also by the McKellar Senate Appropriations Subcommittee.

The administration has prepared for the renewal of the Lend-Lease Act by a number of steps. Last November President Roosevelt issued a comprehensive report on reverse lend-lease. His thirteenth quarterly report on lend-lease operations, issued last January, went into such problems as oil resources. Under Secretary of State Stettinius, formerly Lend-Lease Administrator, put out this year a book on lend-lease as Weapon for Victory. And Foreign Economic Administrator Crowley issued in February a detailed account of the lend-lease aid given Russia.

Up to the end of November 1943, the United States had furnished \$18,600,000,-000 in lend-lease aid. By the end of June 1943, the British Empire had furnished the United States \$1,200,000,000 in reverse lend-lease, with Russia and China not in a position to furnish much except services for American ships and seamen reaching their shores. The British report that about 10 percent of their war expenditures are being devoted to mutual aid. About 10 percent of the civilian food supply of the British Isles is now lend-lease from the United States, but the bulk of American lend-lease food shipments go to Russia.

No one questions the necessity for lend-lease or the worthiness of it in principle. But the question of whether it is well administered and whether it is administered fundamentally to win the war or partly as a bottomless bag of benefits carried by a global Santa Claus named Uncle Sam is something else again.

Congress certainly should and will renew lend-lease as an authority, but it certainly should do so with full care and precaution. It has been proven over and over at the cost of the taxpayers that when it comes to tossing out taxpayers' money to anyone and everyone the present Roosevelt administration must be dealt with on appropriations with a very firm and restraining hand. That applies to lend-lease as well as to any other expenditures.

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[From the El Paso (Tex.) Times, March 5, 1944]

#### DANGER OF VICTORY

In testifying before the House Foreign Affairs Committee, Secretary of War Stimson made a statement which shows the danger we face as the day of victory grows nearer. It was this:

"As we approach the end of the war, the Allies tend to split; the fear that cemented them disappears and then the cement slips away."

That is becoming more evident day by day.

When outcome of the war seemed to hang in the balance, the American, British, Russian, and Chinese Governments and people were drawn together like animals in the face of an approaching storm. That was caused by the fear to which Secretary Stimson referred.

When it became apparent that Germany and Japan were going to be defeated, it was human nature for each government and the people of each country to begin to look to their own future, to inquire into what may come after the war.

When the Battle of Britain was at its height, we heard very little adverse criticism of the British. We were so sympathetic with the British people and so afraid that they might be defeated, thus leaving us to face the power of Germany alone, that we were determined to do everything we could for them.

The moment the British appeared to be on top again, the same old anti-British sentiment began to show its head in the United States. And the British began to show their old independence again.

When the Russians were being pushed back by the Nazi war machine, we were afraid that Stalin's legions would be crushed and we would have to face a victorious Germany. We began to pour lend-lease aid into Russia.

Once the tide of battle was turned, suspicious as to Stalin's motives began to be voiced in the United States, and Stalin made it plain that he was not standing with his hat in his hand.

Thus the fear that cemented the Allies began to disappear.

Where are we today?

The Russians want part of the Italian Navy, and President Roosevelt said about one-third of the surrendered ships, or the equivalent, will be turned over to them.

It will be remembered that the Russians took credit for the collapse of Italy. They contended that if it had not been for the pressure of the Red Army, the Germans and Italians would have been strong enough to keep Italy in the war.

Be that as it may, the American people will have no objection to giving Russia part of the Italian fleet.

Then, to show that Washington and London are looking ahead, Edward R. Stettinius, Assistant Secretary of State, is going to London to talk over a dozen or so Anglo-American questions. The main one is said to be this: What sort of world trade can grow out of a war economy now dominated by lend-lease?

When Secretary Stimson was before the House Foreign Affairs Committee, he said it would be inconceivable to stop the flow of lend-lease goods now "unless we wish to take the alternative of prolonging the war at the greater expense of lives and material."

There is no denying that lend-lease has gone a long way toward making ultimate victory certain, but with victory apparently only a matter of time, and the fear disappearing, the question of when and how we are going to "recapture" lend-lease weapons after the war and be repaid in cash or in kind is making its appearance.

Some significance may be attached to the fact that Russia probably will not participate in the London talks to take place in the near future. Questions to be discussed involve only British-American affairs. One American official in London said if issues concerning the Soviet Union arose, the Russians could then be notified.

It is difficult to see how America and Britain could have very much to talk about that did not also concern Russia.

All those things bear out Mr. Stimson's words that "as we approach the end of the war, the Allies tend to split; the fear that cemented them disappears and then the cement slips away."

That is what we want to avoid if possible.

We must face facts. Russia will emerge from the war more powerful than ever in her history. She has vast natural resources and her people have learned a great deal.

So far as an attempt to dominate the world is concerned, this newspaper does not believe Stalin has any such ambitions. If he did have, he probably would not be supported by the Russian people. History should have shown them their limitations. They fight well on their own soil, but they never have done well elsewhere.

Great Britain and the United States will have more in common than any other two countries. We and the Russians should recognize that.

What we must do is prevent the "cement" from slipping away.

Winning the war was essential; it brought us together. Winning the peace will be equally as important.

We must have trust. Suspicion must be held to a minimum.

That is the only road to a lasting peace.

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[From the Waco (Tex) News-Tribune, March 16, 1944]

#### LEND-LEASE

Lend-lease is 3 years old from the day the President gave it his signature. That occasion marked the end of our era of isolationism, Lindbergh, R. E. Wood, and the various individuals who made up the fabric and the fiber of America First. Every principle which was combatted then sowed deadly peril.

The Lend-Lease Act was adopted because of the Presidential reminder that it might be our salvation. With its proposition of "payment or repayment in kind or in property, or any other direct or indirect benefit which the President deems satisfactory," the lend-lease proposal seemed to avoid the pitfall of vast and unpayable interallied debts. The magnitude of the transfers of lend-lease has grown beyond all the original expectations.

In his January report, Roosevelt said that 13.5 percent of our war expenditures which had gone forth is "as much an integral part of the United States' own war effort as the 86.5 percent that have gone for our own armed forces and for our own home front. We have given and we have received. But we have come closer to a united economic front than we ever did in the First World War.

The total of unpaid debts which we had left over from the First World War ran to about \$14,000,000,000. But we gain an idea of the magnitude of this war when we remember that the total of lend-lease exchanges will reach about twice that figure.

Secretary Knox has testified before the House Foreign Affairs Committee that the Allies now are on the threshold of critical offensives against the Axis which will dwarf all previous "thrusts."



Lend-lease has brought the decisive battles of the war nearer, as it was intended to do. Planes, tanks, vehicles, and guns to Russia, ships, planes, and other supplies to Britain—these in forcing the turn of the war justify lend-lease.

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[From the Louisville (Ky.) Courier Journal, March 10, 1944]

#### ARGUMENT UNNECESSARY

If any argument whatever is needed in support of the Government's proposal to extend the Lend-Lease Act for another year, it is best made in the words of Secretary of War Stimson during his appearance before the House Foreign Affairs Committee.

"This is the most fateful year of our country's history," he said. "I believe that a decision not to extend this legislation would prolong the war and increase the cost to our people in lives and dollars. We are now in the full passage of war where the full accumulation of our strength must be thrown against the enemy and our continuity of effort maintained."

Had he said that failure to extend lend-lease during the coming governmental fiscal year might destroy the entire structure of the cooperative Allied undertaking it would not have been an exaggeration, for it would be tantamount to shutting off the flow of war supplies to various fronts just at a time when they could achieve most in behalf of a victory.

It was inevitable, once the lend-lease system went into effect, that it would have to be continued until the war's end. Certainly it could not be abandoned with any degree of safety whatsoever at the moment when the greatest military undertaking in history, and one which will require astronomical expenditures of equipment, is about to get under way.

Emphatic re-enactment by the Congress after a minimum of debate would be a most impressive demonstration to the enemy that none of our determination to bring about his defeat at the earliest possible moment has been lost.

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[From the Memphis (Tenn.) Commercial Appeal, March 5, 1944]

#### BOTH DESERVE A NEW LEASE ON LIFE

Although approaching expiration of the annual tenure of lend-lease agreements and the Office of Price Administration will probably be marked by outbursts of critical oratory from a few perennial objectors in Congress, it seems inconceivable that their renewal will not be voted by a substantial majority. Lend-lease on the war fronts is just beginning to prove its full potentialities. It is placing a formidable weight and variety of weapons in the hands of Allied fighters with the least possible expenditure of time and red tape. But more than that it is, as Admiral Land and Leo T. Crowley informed the House Foreign Affairs Committee, now being repaid in increasing volume by almost all our allies. Without any tedious balancing of books and presenting of bills, our armed forces help themselves from the common pool of available supplies wherever they happen to be. It is no coincidence that the most enthusiastic advocates of lend-lease as the time for its renewal comes around are the chiefs of our armed and naval forces.

In spite of the verbal brickbats under which it bows a patient head, the Office of Price Administration has proved itself as invaluable on the home front as lend-lease has in the conduct of the war. We have only to compare prices of food staples now and in the comparable period of the last war to realize how admirably the Office of Price Administration's complex mixture of persuasion and education has worked to our advantage this time. And in spite of ferocious criticism of the "armies of bureaucrats" it has presumably spawned, it remains now as in its inception one of the most efficient utilizers of volunteer assistance and policing this country has produced.

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[From the Memphis (Tenn.) Commercial Appeal, March 11, 1944]

#### HAVEN'T BEEN LOAFING

Heretofore secret figures, now revealed by British Production Minister Oliver Lyttleton, show that, since the beginning of the war, Britain has produced more than 90,000 planes which, when added to the 150,000 produced by the United

States, give a further clue to the almost fantastic air strength accumulated by those two Nations alone.

Besides the planes, the British produced in the same period 83,000 tanks and armored cars, 115,000 guns larger than 20 millimeter size, and built up naval strength, despite rather heavy losses earlier in the war, to where it now exceeds what it was in 1939.

Because present congressional hearings on extension of the Lend-Lease Act are serving to emphasize what has been accomplished by American war industries, the British revelations serve the useful purpose of pointing out that Allied war production is not as one-sided as many may think, and certainly proof that British industry has not been loafing, especially during the period Britain has been receiving lend-lease aid.

Quite to the contrary, Leo Crowley, Foreign Economics Administrator, told the House Foreign Affairs Committee that the British Commonwealth is now reversing lend-lease to the United States at a rate of more than \$2,000,000,000 a year. Australia alone is furnishing the United States a million dollars' worth of commodities daily.

As one Lend-Lease official expressed it, "There's no use trying to figure out who is getting the best of a square deal. The only one who will get the worst of it will be the enemy."

That is sound reasoning to which most Americans will agree.

[From the Evansville, (Ind.) Courier, March 10, 1944]

### THE GIANT

When the history of this conflict is written the decisive factor will be found to have been the United States as the source of and the deliverer of fighting armies and supplies.

The scope of America's activities are astonishing. Certainly no one believed it to be possible—not Hitler, nor Mussolini, nor the Jap war lords. Britain's chief hope of victory was in America as an arsenal, but even Britain had no conception of the volume that arsenal would pour out. Britain has quite an arsenal of its own, but the margin created by America's contribution was needed to create the present promising military position.

In addition to aid to Britain, the United States has sent billions of dollars' worth of weapons, vehicles, and supplies to Russia. This Nation has assisted in arming Free France. American ships and supplies are lend-leased to many of Europe's governments in exile.

Supplying of the British offensive, now generating great power, is almost wholly up to America. Australia has made contribution in accordance with its capacity. But Uncle Sam has launched a winning war against Japan with little assistance.

The United States has become the giant among military nations, envied by many, feared by others, but committed by word and deed to a world order that will permit every nation to advance itself according to its own ability, without fear of molestation.

[From the Toledo (Ohio) Blade, March 14, 1944]

### LEND-LEASE HELPS ALL

The extension of lend-lease is up for consideration in Congress. Before the House Military Affairs Committee figures on the mutual-aid program have been given by Frank Knox, Secretary of Navy; Leo F. Crowley, Foreign Economic Administrator, and Rear Admiral Emory Land, Chairman of the Maritime Commission. Within 3 years this cooperative assistance has grown from a trickle to a torrent against the enemies of the free nations.

This country has put into lend-lease about \$20,000,000,000 or 14 cents of each dollar of war expenditure. This mutual aid is now paying to this country about \$2,000,000,000 a year by the British Commonwealth of Nations. Under the arrangement American fighting men are being fed and sheltered in camps abroad.

Marshal Stalin summed up all the arguments on this mutual aid when he remarked at Teheran that without American machines the United Nations could not be winning the fight. That is the immediate practical side. Edward R.

Stettinius, former Director of Lend-Lease, refers to the plan as a sound investment in American security and a prodigious step toward solving the problem of successful international cooperation.

The push to victory must be completed. Continuation of the mutual-assistance plan will be necessary to finish the job. Congress will be expected to vote the extension as enthusiastically and overwhelmingly as it did last year.

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[From the Youngstown (Ohio) Vindicator, March 14, 1944]

#### THE LEND-LEASE POOL

The third anniversary of lend-lease brings out facts that show something even more important than the system's efficacy in enabling America's allies to weaken the enemy forces which her own troops now face. The figures also show, as Edward Stettinius said Saturday, that lend-lease has evolved into a mutual system by which the United Nations are "making sure that all our weapons are used where they will hit the enemy hardest, regardless of which country produces them or whose forces employ them against the common enemy."

Lend-lease began as aid from nonfighting America to the Allied belligerents, because this country had come to recognize that the Western Hemisphere and world freedom itself were at stake in their struggle. At first it was not much, though some high-priority items may have been decisive, such as the tanks sent to El Alamein. But in 1943 it amounted to the enormous total of \$11,733,000,000, mostly in munitions. It also provided a vital 10 percent of Britain's food, and enabled Russia to maintain normal rations for her armies.

It is a great achievement in transportation that 27 percent of all lend-lease has been sent to Russia, though the supply lines stretch 5,000 to 14,000 miles, and present grave difficulties of terrain and enemy action. So well have these obstacles been overcome that in 1943 Russia got \$2,888,000,000 worth of supplies, twice as much as had been sent from 1941 to 1943. Lack of transport still keeps aid from reaching China in sufficient quantity, though supplies amounting to \$200,995,000 have been sent, and in December alone twice as much cargo was flown into China as in all of 1942.

The evolution of lend-lease into a mutual-aid system is even more important than the rise in American volume. American offensives in the Pacific and India are sustained by supplies from Australia, New Zealand, and the Indian Government. The Army Air Forces' air war against Germany is made possible by British lend-lease to the United States. Such "reverse" transactions now amount to more than \$2,000,000,000 and are rapidly increasing. The figure is an underestimate, since, for example, the million wool blankets which Australia is giving our troops at a value of \$2.64 each would be appraised at \$7.87 if the United States were supplying them to Australia.

A great advantage of this mutual aid, as Foreign Minister Evatt of Australia said recently, is that it avoids "the piling up of war debt, which caused so much distrust and trouble after the last war." So it contributes to a stable peace as well as to military victory. For aside from the ill feeling over who owed whom how much, the debts of the last war caused a dislocation of international finance which hampered peacetime trade and helped breed the economic breakdowns which were one cause of the present struggle.

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[From the Columbus (Ohio) Enquirer, Mar. 7, 1944]

#### LEND-LEASE PROGRAM SHOULD BE CONTINUED

There is little doubt that the lend-lease program will be continued for at least another year.

Under existing law, it would expire June 30 and Acting Secretary of State Stettinius last week appeared before the House Foreign Affairs Committee to ask for its continuance.

"Obviously this must and will be done," comments the New York Times. "Lend-lease is the king pin of our whole war effort. Without it the offensives of the United Nations in every part of the world would go to pieces. Mr. Stettinius did not overstate the case when he told the committee that an extension of this act is indispensable to victory. 'The war,' he said, 'is not over—not even almost over. Lend-lease is a powerful weapon which we must maintain and strengthen. The great battles of western Europe, and of Asia have still to be fought.'



"Lend-lease, in another week, will be 3 years old. Its adoption was one of the great landmarks in the life of the American people. Still at peace, we wrote this law upon our statute books because we were even then aware—long before the Japanese attacked us at Pearl Harbor—that our fate as a nation was linked indissolubly with the fate of other democracies which had taken up arms in self-defense; that there was no safety for us in isolation; that only through some method of collective security—and lend-lease is collective security—could the peace-loving nations survive in a world in which aggression had run wild.

"It was many months before the stream of goods exported under lend-lease to the nations which were even then our allies, in everything but name amounted to more than a trickle. But from the day of its enactment lend-lease began to play a part on the great stage of world affairs. It brought fresh courage to the nations fighting for their freedom. It laid the ground work for what became the grand alliance of the United Nations. It is now the chief inter-Allied instrument of victory."

Of much interest was a statement made public yesterday by Administrator Leo Crowley, of the Foreign Economic Administration, that almost 28,000 American-built planes, valued at \$2,300,000,000, have been sent to the air forces of the other Allied Nations since the passage of the Lend-Lease Act.

Lend-lease is certain to be continued in effect, we believe. This program is vital to the winning of the war.

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[From the Grand Rapids (Mich.) Press, March 11, 1944]

#### OUR LEND-LEASE INVESTMENT

The question of extension of the Lend-Lease Act, which expires June 30, is pending in Congress. Virtually no opposition to the act has been expressed in the hearings which have been held by the House Foreign Affairs Committee, indicating that renewal will be almost a formality. Objections which have been raised have related to details and incidentals, not to the basic principle itself. In view of the record no objections to that principle could be expected.

It was on March 11, 1941, that the Lend-Lease Act first became law. From that time up to December 31, 1943, according to Chairman Leo T. Crowley of the Foreign Economic Administration, lend-lease expenditures totaled about \$20,000,000,000, or about 14 percent of our entire defense and war expenditures in the same period.

Figures fail to tell the whole story, however. These lend-lease funds enabled other Allied Nations to engage in costly fighting, both in terms of money and human lives, which we might have had to do otherwise. The number of American lives which have been saved as a result cannot be calculated, but it is clear that the lend-lease investment has been one of the most profitable we have made in the cause of victory.

As might be expected, Britain and Russia have been the chief beneficiaries under this program. Crowley testified that lend-lease shipments to Russia up to the end of 1943 included 170,000 trucks; 33,000 jeeps, 25,000 other military vehicles; 4,700 tanks and tank destroyers; 100,000 submarine guns; 1,500,000 tons of steel; 384,000 tons of aluminum, copper and other metals; \$400,000,000 worth of industrial equipment; 7,800 planes; 740,000 tons of aviation gasoline and petroleum products and 145,000 tons of petroleum refinery equipment. In addition War Secretary Henry Stimson has testified that "Russia is to a substantial degree dependent upon the United States in maintaining her lines of communication" with transportation equipment provided by lend-lease. Here is proof irrefutable that the United States has had a very vital and definite part in the grand achievements of the Red Army.

As for shipments to Great Britain, they have included 3,900 planes; \$460,000,000 worth of aircraft engines and parts; 4,800,000 tons of steel; 460,000 tons of nonferrous metals, and great quantities of aviation gasoline and other essential materials.

Lend-lease has not been a one-way street, however. It has been operating in reverse on an ever-expanding scale which is expected to be further enlarged. Particularly is it to be hoped that reverse lend-lease leads to an early curtailment of American petroleum shipments abroad. Thus far, according to Senator J. C. O'Mahoney, Wyoming Democrat, the United States has supplied 95 percent of the Allies' aviation gasoline. Facing the prospect that our own reserves may become exhausted within 20 years, it is imperative that the petroleum supplies needed for the Allied war effort be drawn increasingly from the reserves and resources of our

allies. Steps toward this goal already have been taken and it is to be expected that more will be taken, and as they are the lend-lease account will be brought increasingly into balance. So far the values and services of our fighting allies to American forces have amounted to \$1,500,000,000.

Proposals have been advanced by which the President's authority to determine the benefits which the United States shall receive in return for lend-lease would be restricted. These proposals are indicative of a basic concern for the nature of governmental economic settlements which will follow the war. It is entirely right that Congress exercise the utmost caution in this regard, for any final settlement certainly is a matter of as much importance to Congress as to the administration.

Proposals of such safeguards are not and should not be construed, however, as opposition to continuance of lend-lease which is an indispensable part of America's war effort and right now, at one of the most crucial stages of the war, is more important than ever.

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[From the Pontiac (Mich.) Press, March 9, 1944]

#### LEND-LEASE RENEWAL LIKELY

While there is every reason to expect that the Lend-Lease Act which expires June 30, next, will be renewed by Congress; it now appears that there may be considerable debate on amendments certain to be sought.

The type of amendments can be judged by the 1943 House hearings on the 1941 act and the 1943 Senate debate on the lend-lease appropriations. Such questions as the post-war disposition of aid and naval bases built by the United States on foreign soil; disposition of Pacific islands after the war; oil, rubber, and metallic resources of the world when peace returns; lend-lease supplies to our allies, and reverse lend-lease from them, were major topics of discussion.

That lend-lease aid to other nations battling to crush the Axis is one of the important aspects of our war effort, particularly in its effect on the ability of Russia to push the invading Germans relentlessly westward during the current winter offensive, is generally conceded. It also is a widely accepted fact that the actual benefits to our allies from our lend-lease shipments far exceed their cash value, which was \$18,600,000,000 as of November 30, 1943.

Last year the act was extended for 12 months by a unanimous vote in the Senate and with but six dissenting votes in the House, all of them Republican. Once the question of amendments has been disposed of in both Houses, there appears to be, at this stage, little reason to anticipate any but comparable votes for its further extension.

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[From the Kalamazoo (Mich.) Gazette, March 13, 1944]

#### IN THE COMMON CAUSE

Calling the lend-lease program essential to the Nation's war strategy, Secretary of the Navy Knox tells a congressional committee that we are now on the threshold of critical actions against the enemy both in Europe and in the Pacific. "Our war plans are dependent upon each of the United Nations being ready to play its full part in the offensives to come," the Secretary declares, "and if our fighting partners are to strike with maximum force they, as well as we, must be equipped for battle."

The soundness of that reasoning should be apparent to anyone. The lend-lease program was adopted in the first place to make America the great "arsenal of democracy," and it is no disparagement of our allies' productive efforts to say that America has played that role very well. In all the major war areas of the world our partners in the struggle against German and Japanese aggression are counting heavily on a continuing flow of American munitions and other essential supplies to keep their armed forces going in full strength for the common cause. They have industrial resources of their own, to be sure, but what they can provide for themselves must be supplemented from American factories and farms if they are to make the most effective use of their fighting manpower.

These allies of ours are benefited by lend-lease, of course. But let's not think for a minute that our own war purposes are not also well served by the material aid we send to the nations fighting on our side. Whatever helps to wear down the fighting strength of Germany or Japan helps us, regardless of the source from which it may come. The more our allies can do to aid in the defeat of the Axis,

the less difficult will be the task of our own armed forces. While providing adequately for the needs of our own Army and Navy, it is only good sense to do everything we can to strengthen the armies and navies of those nations which are cooperating with us in the same global effort.

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[From the Madison (Wis.) Star Journal, March 10, 1944]

#### NO SIT-DOWN ON LEND-LEASE

No one, no matter what his politics or proclivities, would at this moment counsel the discontinuance of manufacture or use of any gun, tank, or plane that is winning the road to victory, whatever the expense involved.

No more, then, should Congress contemplate any weakening in the lend-lease program, which, without further congressional approval, will expire on June 30. Neither lend-lease nor reverse lend-lease under which America's allies return much to our fighting forces in services, equipment, quarters, and food, can be counted now in dollars and cents. It would make no difference if they could, for lend-lease has proved itself a tremendous weapon, the symbol of United Nations unity put into practical and effective action.

Even the Congressmen and the spokesmen for various factions which most bitterly fought the initial enactment of lend-lease endorsed it after its first period of operation. For the sake of a war still far from won, they must not now stoop to playing politics with figures and half-facts which cannot yet be honestly assayed.

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[From the Mankato (Minn.) Free Press, March 10, 1944]

#### AN AID TO VICTORY

There appears to be no real opposition to the renewal of lend-lease, which is not surprising. Lend-lease has written one of the most important chapters of the war.

Since the Lend-Lease Act was passed, recent figures show, 28,000 planes have gone to America's allies. Along with these planes has gone gasoline valued at \$670,000,000, as well as more than \$1,500,000,000 worth of aircraft engines and spare parts. The total value of air equipment furnished to the Allies is \$3,900,000,000.

All of this was material other members of the United Nations needed. It was material necessary to get them on the path to victory. Without it there is great doubt whether any of the Allies could have progressed as far as they have.

When the Lend-Lease Act first was considered 3 years ago—before Pearl Harbor—the opposition came from groups that doubted the ability, or the intentions, of the receiving nations to repay "in kind." America's experiences with war debts a quarter century ago was recalled. And the arguments against lend-lease at that time appeared valid.

But what has happened since has made the Lend-Lease Act invaluable. This Nation suddenly was plunged into war, and for many months a large share of the United States resistance lay in what was gained from lend-lease. The Allies carried on while America worked to gain the necessary momentum.

That is why it is essential that we continue to "lend" and to "lease." The act is a vital part of our war program and, whether we originally liked it or not, lend-lease has sent the necessary materials to the places where they were needed most, and in the shortest possible time.

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[From the Salt Lake City (Utah) Tribune, March 10, 1944]

#### LEND-LEASE DEBITS AND CREDITS; COMPUTING THE PRICE OF VICTORY

Lend-leasing, opposed by isolationists, obstructionists, appeasers, and chronic complainers about the price of victory and the cost of liberty, has protected our country from invasion, saved our coastal cities from attack, preserved many precious lives of the Nation's defenders, and turned the tide of battle against ruthless and resourceful foes.

While some parsimonious politicians in the United States and Great Britain are secretly scheming for a negotiated peace; while crafty Japs and Germans are already planning another global war; while spellbinders and space writers



are holding out to suffering, starving, submerged millions the glittering promise of free enterprise as a substitute for the "four freedoms" of worship and expression, of opportunity and action, we are still lending and sending arms and munitions as well as troops to keep marauders from our shores.

According to a report just relayed by the Associated Press, "some 28,000 American-built planes, valued at \$2,300,000,000, have been sent to join the air forces of other Allied Nations since the passage of the Lend-Lease Act in March 1941."

American plants have produced a total of 150,000 planes, retaining for use of our own fliers 122,000 of these answers to the blitzkrieg threat of 3 years ago. In addition to warplanes, more than \$1,600,000,000 worth of aircraft engines and spare parts have been sent under cash and lend-lease terms, bringing the total value of American air equipment sent other United Nations to \$3,900,000,000.

Hundreds of millions of gallons of gasoline, in the production of which the new Salt Lake City octane plant will be a factor henceforth, have been supplied to the governments of Allied fighting forces. There are carping critics who lampoon all wartime leaders except those of the Axis, and deprecate consignments under lend-lease arrangements, but all fathers and mothers of this Republic who comprehend the necessity and magnitude of the undertaking know that these planes sent abroad and manned by alien aviators have saved the lives of thousands of American sons, brothers, husbands, and friends—by rendering the same protective service to our country as that for which they were risking and giving their lives to restrain the wreckage of their own lands.

It is easy for mathematical experts to compute the waste of war, the cost of freedom, the price of peace—to sit down on the eve of a great battle and figure out the sums paid for guns and ammunition, for comparison with prospective gains. But they do not know and dare not say what might be considered a fair value to place on the life of one American hero.

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[From the Spokane (Wash.) Spokesman-Review, March 10, 1944]

#### LEND-LEASE POLICY MAY NEED REVISION

The lend-lease authority, which would terminate in June if not renewed by act of Congress, undoubtedly will be extended for another period. It is so completely the basis for reciprocal Allied collaboration that if it were permitted to expire joint effort in every theater of the war might be disrupted.

However, Congress properly is studying the manner in which it is operated and the policies under which it is directed. These are matters that may well prove subject to debate even though the basic plan of mutual assistance is not disturbed.

Lend-lease is something of a misnomer, for lending and leasing implies a contractual obligation to repay in kind or cash for value received. It was devised as a method of giving material aid to our allies out of our abundance as our most effective contribution to the common war effort while preparing our armed forces to take their full part.

This aid was given, not lent or leased in the sense that it would result in building up another structure of debt that might plague relations between this country and our allies after this war as the Allied debt to us did after World War I. It did not contemplate reciprocal aid when the occasion or opportunity for it should arise. The giving of that reciprocal aid depended upon the ability, the willingness and good faith of the recipients of lend-lease, rather than upon a documented bond.

This reciprocal aid, called "reverse lend-lease," has been and is being given and is attaining important proportions, though the money value of what this country receives can never be expected to balance the value of what has been and yet will be given. Since that was not the underlying consideration, it is not an issue so far as what has been done up to this stage of the war.

But the question of more nearly balancing mutual assistance in the future operations of lend-lease may be a policy issue that Congress will want decided in extending the life of the authority.

There is reason for this change in policy now that our armed forces are taking an ever greater part in the fighting and particularly because of the attitude of some of our allies, notably Australia and New Zealand.

There, it is reported, there is worry over the prospect that reverse lend-lease for them is going to mean that they supply more henceforth to the United States

than they get in return. That worry develops after the United States saved those countries from Japanese invasion. It suggests what may happen elsewhere after the acuteness of dangers we helped so greatly to avert has passed.

## APPENDIX L

### NEWSPAPER EDITORIAL COMMENT ON LEND-LEASE AID TO THE UNION OF SOVIET SOCIALIST REPUBLICS

[Washington Daily News, March 1, 1944]

#### WHAT WE GET FOR LEND-LEASE

What we have sent Russia:

More than 8,400,000 tons of supplies, valued at \$4,243,804,000, and including 7,800 planes, 4,700 tanks and tank destroyers, 170,000 trucks, 33,000 jeeps, and 6,000,000 pairs of boots.

What Russia has done to Germany according to Stalin:

In 1 year the Nazis have lost 4,000,000 men, 14,000 planes, 25,000 tanks, and 40,000 guns.

[Houston (Tex.) Chronicle, February 28, 1944]

#### LEND-LEASE AID TO RUSSIA

One of the reasons why the Russians were able to stem the tide of German conquest and then send it into reverse is American lend-lease aid. An idea of the colossal stature of this assistance is to be found in the cold figures released Sunday by the Foreign Economic Administration.

Among the weapons, equipment, and supplies this country had shipped to Russia by the end of 1943 were 7,800 airplanes, 4,700 tanks and tank destroyers, and 177,000 tons of explosives, Administrator Leo T. Crowley reported.

A total of 8,400,000 tons of arms and supplies flowed from American factories and farms to Russia in a little more than 2 years, from the time the Soviet-aid program began in October 1941 until the end of 1943. Some of the items are: More than 225,000 vehicles, including 170,000 trucks and 33,000 jeeps; 740,000 tons of oil products, including aviation gasoline, other fuels and lubricants; 1,350,000 tons of steel, 384,000 tons of aluminum, copper, and other metals; and \$400,000,000 worth of machinery and machine tools; more than 6,000,000 pairs of army boots.

The value of these shipments had mounted to \$4,243,804,000 by the end of the year. The tonnage for 1943 was almost double that for 1942—5,400,000 tons as against 2,800,000—reflecting a steady increase in lend-lease aid to Russia which reached the peak for the 27 months in December.

More than one-fourth of the total shipments consisted of food: 2,250,000 tons of wheat, flour, sugar, meat, dried peas and beans, powdered milk, dried eggs; more than 580,000 tons of fats and oils; 50,000 tons of butter.

Among the machinery and machine tools sent to assist the Russians in building up or rebuilding destroyed manufacturing facilities, thus lightening the burden on our own production and easing the shipping situation, are 145,000 tons of refinery equipment for producing aviation gasoline. Machinery for a complete factory to make 1,000,000 tires a year from Russian-produced rubber also has been sent.

As to losses in transit, a vast improvement was made last year when only one Russia-bound lend-lease ship was sunk out of each 100 leaving our shores. The year before the ratio of losses at sea was 12 out of each 100. Last year several hundred more ships were dispatched than in 1942, the report pointed out. More than 3,000 of the 7,800 planes sent to Russia were flown all the way, thus saving time and shipping space.

There may be no way to measure accurately the lend-lease contribution to the total Russian war effort. Certainly, however, it has been a most vital factor and it might well have been the deciding factor. But for it, the Germans might have reached the oil fields of the Caucasus, and they might still be there. But for this Nation's tremendous industrial power, including its capacity to build ships, and but for the remarkable record made by merchant marine crews and convoy vessels in getting the goods through, the military picture in Russia would have been much different to what it is today.

[Pontiac (Mich.) Press March 1, 1944]

## OUR AID TO RUSSIA IMPORTANT

The latest lend-lease report by Foreign Economics Administrator Leo Crowley reveals that Americans may fairly claim a share of the credit for Soviet Russia's magnificent victories during the present winter.

The report not only shows that our material aid to the Stalin forces was doubled during 1943, but that the over-all total since the first American supplies were started on their way toward Murmansk or Iran must have been a powerful factor in the Soviet's ability to withstand the Germans' early and crushing drives eastward.

By the end of 1943, for example, more than 7,800 American airplanes, most of them combat types, had been shipped or flown to Russia. The number of tanks and tank destroyers supplied had exceeded 4,700. Total truck shipments, a large percentage of them from the GMC Truck and Coach Division here, had reached 170,000 with 1943 shipments doubling those of 1942. In addition 33,000 jeeps and 25,000 other military vehicles had been delivered.

Not the least important of the supplies Americans' tax payments and bond purchases have financed are the vast quantities of food which must have been invaluable in maintaining the morale and health of the Red fighting men at a time when enemy action had seriously crippled the Russians' ability to feed themselves.

It should be borne in mind that the cash value of all supplies sent under lend-lease to embattled Russia, more than four and a quarter billion dollars, in no way can reflect their actual value to our eastern allies. At a time when food, planes, vehicles, and other military supplies were available from no other source, those received from America literally were priceless to the Russians.

There is one more thing Americans should remember in considering the fact that there has been no reverse lend-lease from the Soviet Union. While the Moscow Government has not been able to balance the account with goods, its victorious armies have repaid us in large measure with dead Germans—two or more millions of them.

Every German soldier killed on the Russian front, every article of Hitlerite war equipment destroyed there reduces the threats to the lives of American soldiers now fighting in Europe or waiting the signal for the coming invasion of the continent.

Our help and the use made of it by the Soviet Union indeed have been mighty factors in bringing Germany to its present declining military prospects.

[Ft. Wayne (Ind.) Journal-Gazette, February 29, 1944]

## OUR GREAT EFFORT

The United States has contributed 7,800 planes, 4,700 tanks and tank destroyers, and 177,000 tons of explosives to the Red Army's drive against Hitler, the Foreign Economic Administration has announced.

Shipments sent to Russia from October 1941, to the end of last year were valued at \$4,243,804,000. That was a great contribution. Without it, Russia might never have been able to throw the Nazis into reverse.

When we add to this all the war equipment and supplies which have been sent to the other nations fighting Germany and when we consider the part which the Americans played in the vital African campaign, and what the Americans are now doing in Italy, plus the damage which our bombers have inflicted on German factories, we understand what a gigantic contribution our country is making toward victory for the United Nations.

We do not seek to discount what our allies have done, especially Russia and Great Britain. But, on the other hand, on one should discount what the United States has done. Without our own fighting, without our lease-lend aid, without our encouragement to the other countries, it is doubtful whether the war against the Nazis would ever have been won.

From the information now available to the public it may be expected that our major contribution is yet to be made in the coming invasion of Europe. But if Germany should crack up tomorrow it would be due in a great measure to what we already have done and to Germany's knowledge of what we can do.

These great contributions of America entitle us to a powerful voice at the peace table even if the end of the war came tomorrow.

And, of course, we do not forget the things which we have accomplished in the war against Japan.



[Schenectady (N. Y.) Union-Star, February 29, 1944]

## AMERICA CONTRIBUTES TO RUSSIA'S "SINEWS"

"Give us," said Mr. Churchill some three or so years ago, "the sinews and we'll do the job." Time has proved that sinews alone were not enough to bring victory, but no one will belittle the importance of those sinews.

Therefore it can be said honestly that the sinews provided the Russians in the last 3 years by America have been very important and necessary to the Red armies. That those sinews have been on a big scale is evidenced by the latest report on lend-lease aid to the Soviet Union, which has reached the respectable total of four and one-quarter billion dollars in value in the last 27 months.

This total of more than 8,400,000 tons includes more than 7,800 war planes, 4,700 tanks, 170,000 trucks, 177,000 tons of explosives, 740,000 tons of aviation gasoline, 1,350,000 tons of steel, and 2,250,000 tons of food. And this aid has been given under terrific strain. In 1942 12 of every 100 ships carrying supplies to Russia were sunk by the Axis. Last year only one of each 100 was lost.

It takes nothing from the glory or credit of the Red Army that America's home front has played so important a part on Russia's victorious fighting front.

[Watertown (N. Y.) Times, February 28, 1944]

## LEND-LEASE TO RUSSIA

How much American lend-lease is having to do with Russian successes can be guessed by the remarkable report which Leo T. Crowley Foreign Economic Administrator has sent to Congress. During 1943 5,400,000 tons of materials and equipment went to the Red Army. More important, 99 out of every 100 ships which crossed the Atlantic made the journey safely in contrast to the 88 out of every 100 ships in 1942. We sent an entire steel mill to the Soviet with the engineers to assemble it and put it into operation. More than 5,500 planes of all types were sent to Russia. Of these 2,700 were flown, most of them by the Arctic route from Alaskan bases into Siberia. Forty million pounds of butter and almost 500,000,000 pounds of meat went across the Atlantic to the Soviet. In addition vast quantities of tanks, artillery, trucks, and medical supplies were dispatched.

This gratifying record is aid to an ally in time of war. If the free channels of trade are maintained in the peaceful world to come economic prosperity will be assured to all of the world. Russia is going to want to trade with us and the United States will welcome trade with Russia.

[Asheville (N. C.) Citizen, March 1, 1944]

## AID TO RUSSIA

Last year Russia got 3½ percent of America's food supply—wheat and flour, dried peas and beans, butter, sugar, meat, powdered milk—some 2,250,000 tons in all.

Since October 1941 the Russians have received from the United States 7,800 warplanes, 4,700 tanks, 170,000 trucks, 177,000 tons of explosives.

All of this (there are thousands of separate items) cost more than \$4,240,000,000. The food supplies alone shipped out last year to Russia represented 51 percent of total American exports.

Is it worth it? Is all this lend-lease material which we are providing so generously a wise expenditure of our resources?

Reportedly, the Foreign Economic Administration has made these figures public at this time to remind Russia that our stake in its military victories has been a large one. Today there are mutterings about the manner in which Russia will use these victories.

The fact is, of course, that they could never have been achieved without Allied aid. Marshal Stalin grants as much. Russia's own production is considerable. Perhaps it might have sufficed to hold back the Germans. But without the extra margin of allied aid, principally American in recent months, Russia's remarkable comeback and uninterrupted successes would have been impossible.

By the same token, but for Russia's employment of these arms, the strategic war picture might have been far different. About 4,000,000 German soldiers have been killed in this war. Nine out of every ten of them have died on the Russian front.

Lend-lease has helped to keep the Red Army fighting.

The fighting Red Army is bearing the brunt of the land action and has destroyed millions of Germans who might otherwise have killed American and British fighting men.

But lend-lease is not as calculating and as cold-blooded as all this. It is a bridge to the future of world cooperation, a two-way road of free and open trade and exchange which must be kept clear in the future.

Down this broad avenue of aid and understanding the United Nations are striding to victory and peace. It will be for Russia as well as for its Allies to acknowledge this mutual helpfulness more than ever in the future if we are to work together to preserve what we have won.

[Utica (N. Y.) Observer-Dispatch, February 29, 1944]

#### PASSING THE AMMUNITION

The United States doubled its lend-lease shipments to Russia last year, reports Leo T. Crowley, Foreign Economic Administrator.

The shipment included more than 5,000 planes, making a total of 7,800 during the war up to January 1. Nearly all were of the combat type.

Russia received also from us 170,000 trucks, 4,700 tanks and tank destroyers, 33,000 jeeps, and nearly 25,000 other military vehicles.

We have shipped Russia a great deal of food too, no less than 580,000 tons of fats and oils alone, including lard and oleo. In addition we sent 50,000 tons of butter especially for use in Russian hospitals.

We shipped a complete tire factory, 740,000 tons of aviation gasoline; also much industrial equipment for the production of weapons.

The value of the total sent to Russia last year was \$4,250,000,000. It accounted for 51 percent of lend-lease, the British Empire receiving 42 percent.

Considering what Russia has done to the Germans, the investment appears to have been one of the best the United States ever made.

[Buffalo (N. Y.) News, February 29, 1944]

#### AID TO RUSSIA AT PEAK

It would be presumptuous for Americans to claim, in the face of the colossal human sacrifices and the magnificent industrial and military achievements of the Soviet Union, that lend-lease aid from this country represents more than a fraction of the resources that Russia has poured into the struggle against the German invaders. Yet, as Donald M. Nelson points out in the current issue of *Survey Graphic* devoted to a panorama of "American-Russian Frontiers," this aid has been enormous and "it should not be forgotten that our supplies have gone to fill in the strategic marginal gap between Russian production and Russian requirements." The latest figures just released by the Foreign Economic Administration, covering the period from October 1941 to January 1, 1944, show that this country has shipped to the Soviet Union a total of 8,400,000 tons of munitions, food, and other war supplies valued at \$4,243,840,000.

As Mr. Nelson states in his article, the United States has given first priority to Russian needs and has overcome great difficulties to produce and deliver the goods promised in the three protocol agreements on American material aid to Russia. At the present time, he writes, we are making available every month more of practically every item included in the program that can be moved to the Union of Soviet Socialist Republics. In fact, we have offered materials and equipment to the Union of Soviet Socialist Republics in such quantities that the Soviet Government had to cut out a "substantial percentage" in order to bring the total tonnage within shipping expectations. Marshal Stalin had good reason at Tehran to toast American war production as a deciding factor in the approaching defeat of the Axis.

It is important that both the American and Russian peoples should be aware of the extent of this aid, which is continuing at a rate of more than \$300,000,000 a month, for in fulfilling their respective commitments of munitions supply and all-

out resistance the two nations have laid the groundwork for good will and collaboration. Certainly the time is past when isolation or unilateral diplomatic decisions can offer either of these great countries security or the hope for consolidating world peace on which the progress of both depends.

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[Washington Evening Star, Wednesday, March 1, 1944]

[Editorial]

#### ALLIED INTERDEPENDENCE

No one will dispute the fact that since June 1941 the brilliantly led and valorous Red Army has borne the brunt of the land fighting in the war against Hitler. But its great tide-turning victories have by no means been accomplished by itself alone, as if in a military vacuum sealed off from the armed forces of Britain and America.

If Hitler had been able to concentrate his full power in the east, if there had been no gigantic British and American air offensive in the west, if the Axis had not been smashed in north Africa and the Mediterranean, if Italy had not been invaded, if the Royal Navy and the United States Navy had not throttled the enemy on the seas, if Japan had not been too tied down by our forces in the Pacific to strike at Siberia, the whole story of Russia might have been entirely different today—a story of grim defeat instead of monumental victory.

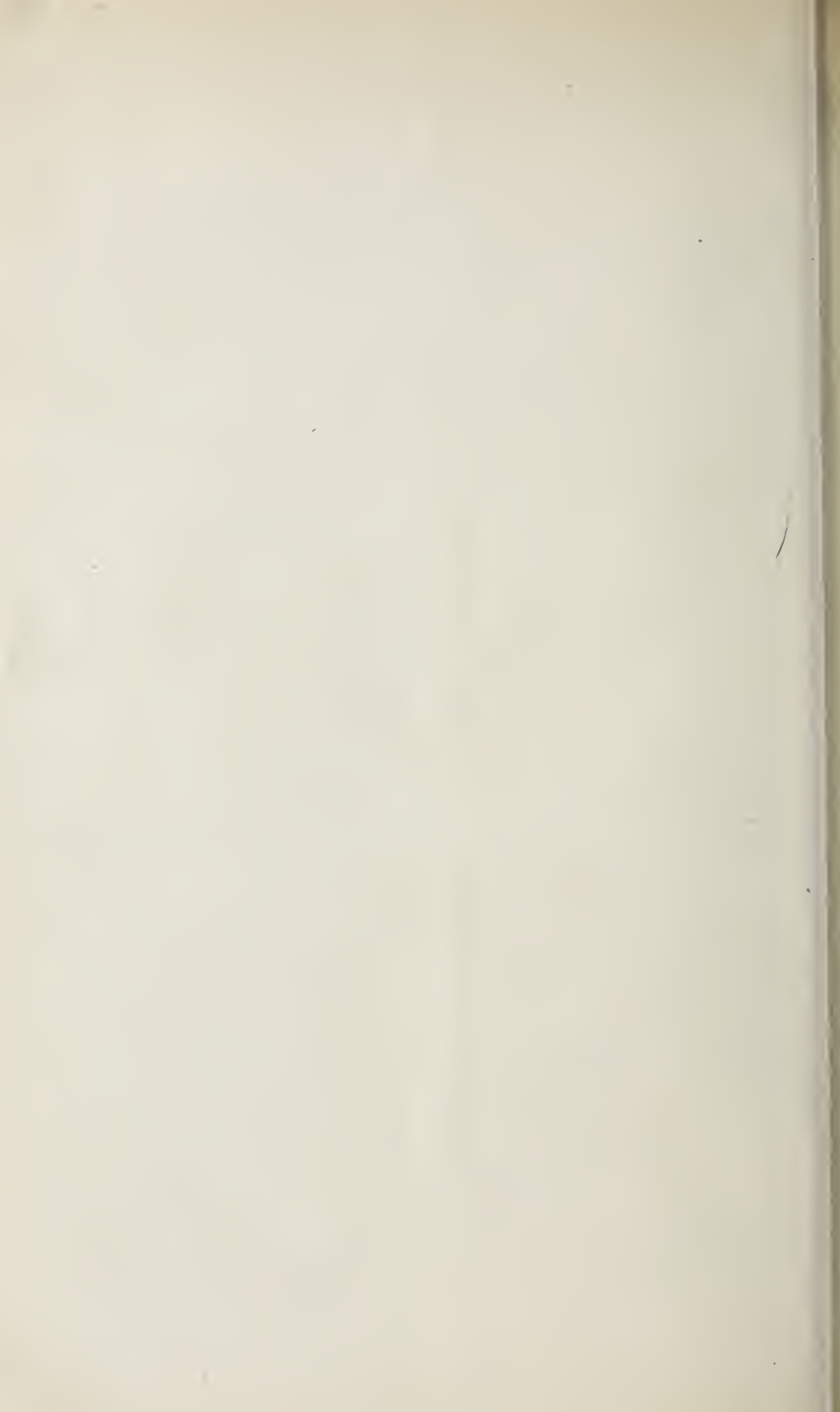
And over and above being promoted by the immense contributing weight of these Allied operations, what the Red Army has accomplished has been made possible, in large measure, by the vast amount of lease-lend material shipped from the United States to the Soviet Union in the 27 months between October 1941 and January of this year. The magnitude and importance of this material, as just reported by Leo T. Crowley, head of our Foreign Economic Administration, cannot be exaggerated. In terms of cash value, it has amounted to well over \$4,000,000,000. In terms of concrete things needed for waging war, it has been made up of 8,400,000 tons of munitions, food, and other supplies, including 7,800 planes, 4,700 tanks and tank destroyers, 170,000 trucks and millions and millions of gallons of precious aviation fuel and lubricants.

To itemize such aid as this is not to detract in any way from the magnificent achievements of the Red Army. It is merely to lend perspective to the general picture of the war and to show that in that perspective no one country stands out as being solely or even predominantly responsible for the present state in which the Nazis find themselves. For the truth is that just as Britain and the United States might now be in a very bad military position had it not been for the Russians, so, too, the Russians might be near defeat, or already defeated, had it not been for the British and Americans. Indeed, Premier-Marshal Stalin is himself authority for the statement that victory over Hitler would have been unattainable without the arms production of America, nor would that production of itself have been enough if it were not being used superbly well by those receiving it through lease-lend.

In sum, credit for the bright character of our over-all situation cannot accurately be apportioned among the Allies, with one receiving the major portion of it for what has been achieved on land, or with another getting it for accomplishments in the air, at sea, or on the assembly line. Perhaps on some future day, long after the shooting stops, it may be possible to effect a precise measure of this sort, but meanwhile, with vast interrelating battles still to be fought, the honors and responsibilities must be pretty evenly shared. And there is a lesson in this, for just as they must work together, and not separately, if they are to win the war, Britain, China, Russia, and America must continue to work together, and not separately, if they are to win the peace as well.

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# EXTENSION OF LEND-LEASE ACT

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## INDEX OF TESTIMONY

DURING

## HEARINGS

BEFORE THE

## COMMITTEE ON FOREIGN AFFAIRS

## HOUSE OF REPRESENTATIVES

SEVENTY-EIGHTH CONGRESS

SECOND SESSION

ON

## H. R. 4254

A BILL TO EXTEND FOR ONE YEAR THE PROVISIONS  
OF AN ACT TO PROMOTE THE DEFENSE OF  
THE UNITED STATES, APPROVED  
MARCH 11, 1941, AS AMENDED

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MARCH 1, 2, 3, 7, 8, AND 9, 1944

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Printed for the use of the Committee on Foreign Affairs



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## EXTENSION OF LEND-LEASE

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MARCH 30, 1944.—Ordered to be printed

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Mr. BLOOM, from the Committee on Foreign Affairs, submitted the following

### REPORT

[To accompany H. R. 4254]

#### I

The Committee on Foreign Affairs, to whom was referred the bill (H. R. 4254) to extend for a period of 1 year an act to promote the defense of the United States, approved March 11, 1941, having considered the same, unanimously report favorably thereon with an amendment, and recommend that the bill do pass.

#### II

This bill amends subsection (c) of section 3, and subsection (b) of section 6 of an act to promote the defense of the United States, approved March 11, 1941 (Public Law 11, 77th Cong.), amended March 11, 1943 (Public Law 9, 78th Cong.), and in accordance with clause 2a, rule 13, there is inserted in the report those subsections of sections 3 and 6 of that act (the language proposed to be repealed enclosed in black brackets and the amendatory language in italics), which are as follows:

Subsection (c) of section 3, Public Law 11, Seventy-seventh Congress, as amended:

(c) After **[June 30, 1944]** *June 30, 1945*, or after the passage of a concurrent resolution by the two Houses before **[June 30, 1944]** *June 30, 1945*, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until **[July 1, 1947]** *July 1, 1948*, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before **[July 1, 1944]** *July 1, 1945*, or before the passage of such concurrent resolution, whichever is the earlier.



Subsection (b) of section 6, Public Law 11, Seventy-seventh Congress, as amended:

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after [June 30, 1947] June 30, 1948.

The committee unanimously recommended an amendment, contained in the bill as a new section numbered 2, so that section 3 (b) of the act will read as follows:

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory: *Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic or post-war military policy except in accordance with established constitutional procedure.*

A reexamination of the Lend-Lease Act prompted the committee to propose the amendment to paragraph (b) of section 3, having to do with the settlement of lend-lease engagements to that it may be entirely clear that in any final settlement no obligation with respect to post-war economic or military policy shall be assumed on behalf of the United States except in accordance with our established constitutional procedure and the action or approval of the Congress where required by such procedure. Under this provision, the Congress can be assured that it cannot be committed to post-war economic or post-war military policies which properly lie within its province to determine.

### III

The United Nations are closing in on the enemy for the decisive battles of the war. Our war plans are based upon each of the United Nations striking with the maximum force in the great offensives to come. To play their full part, our allies must be fully equipped. And every sector of every front manned by our allies and every battle won by them is a sector we will not have to man and a battle we will not have to win. The fight is our fight and their fight. Lend-lease strengthens the striking force both of the United States and the other United Nations.

### IV. HEARINGS

H. R. 4254 was introduced in the House of Representatives on February 23, 1944. In considering the extension of the Lend-Lease Act, the committee undertook a full examination into the manner in which the act has been administered in the past year. Hearings were held over a period of 10 days. The committee received testimony from the Secretary of War, Henry L. Stimson; the Secretary of Navy, Frank Knox; the Under Secretary of State, Edward R. Stettinius, Jr.; Assistant Secretary of State, Dean Acheson; the Foreign Economic Administrator, Leo T. Crowley; Oscar Cox, General Council of the Foreign Economic Administration; the Administrator of the War Ship-

ping Administration and Chairman of the Maritime Commission, Admiral Emory S. Land; and the acting general purchasing agent for United States forces in the Southwest Pacific area, Col. Spencer B. Eddy, G. S. S. The committee also heard in executive session Winfield S. Riefler, Minister to Great Britain in charge of economic warfare activities for the United States in that area.

All of the witnesses testified strongly to the necessity for the extension of the Lend-Lease Act. No witnesses appeared in opposition to its extension. Most of the information provided your committee will be available to the Congress as a whole and to the public as a record of the administration of the Lend-Lease Act.

The committee was greatly aided by various factual statements, charts, and other data presented to the members of the committee, most of which have been made a part of the record. The 13 reports to the Congress on lend-lease operations submitted since the approval of the act and the special fourteenth report on lend-lease operations submitted to the Congress on March 11, 1944, by Leo T. Crowley, Foreign Economic Administrator, have been of great assistance in appraising the part played by lend-lease in the conduct of the war.

The facts brought out before your committee at its hearings indicate the vital necessity for continuing the Lend-Lease Act as an essential part of our organization for waging war. Lend-lease has been built into the fabric of the supply arrangements of the United Nations and has been proved, over and over again, a flexible and valuable part of our mobilization for war, serving the needs of our many battle fronts in ways which contribute to the development of sound and harmonious relations with our allies. So long as the war continues—and it is the duty of every civilian officer of the Government, as Mr. Stettinius pointed out, “to work, think, and plan for war until the shooting stops”—the Lend-Lease Act is a military necessity of the first importance.

#### V. LEND-LEASE AID

From the date of the approval of the Lend-Lease Act on March 11, 1941, through December 31, 1943, the United States transferred under lend-lease goods and services valued at slightly less than \$20,000,000,000. More than two-thirds of this aid was rendered during 1943.

Over half of our lend-lease aid has consisted of planes, tanks, guns, and other finished munitions. Items for the production of planes, guns, and other vital war supplies in the factories of our allies have amounted to 20 percent. Foodstuffs for soldiers and war workers have made up 12½ percent. The balance has consisted of services, such as shipping, ship repairs, pilot training, and industrial facilities built in the United States to produce lend-lease goods.

The proportion of these categories has changed greatly since the early days of lend-lease. In 1941 food was the largest item—over 50 percent of lend-lease exports. Munitions and war-production supplies made up the remainder. In 1942, as American war plants moved swiftly into production, shipments of munitions rose much more rapidly than shipments of other lend-lease items. They have continued to rise and during 1943 made up 61 percent of all exports. In December 1943 67 percent of lend-lease exports were munitions.

Planes, tanks, guns, ammunition, and other finished munitions constitute the backbone of the lend-lease program.

*United Kingdom.*—The value of lend-lease exports to the United Kingdom through December 31, 1943, totaled \$6,595,000,000. Forty-one percent of this total constituted munitions; 32 percent agricultural products; and 27 percent materials for war production. Shipments of munitions in 1943 were 200 percent higher than those in 1942, while shipments of agricultural products and materials for war production increased only 50 percent.

Without these lend-lease shipments and the large quantities of supplies and services received as reverse lend-lease the great bombing raids flown by the Royal Air Force, and by the United States Army Air Forces from British bases would not have been possible. The Royal Air Force's night missions are flown by the great four-engine Lancasters and Halifax bombers—all produced in British factories. Britain alone is producing more planes than all the factories at Hitler's command in Europe and large quantities of bombs as well. This remarkable production record could not, however, have been achieved without the machine tools, the aircraft engines and parts, the steel and other metals sent from the United States under lend-lease. By the end of 1943 we had sent under lend-lease nearly \$500,000,000 of aircraft engines and parts and over \$700,000,000 of steel and other metals.

The United States Eighth and Ninth Army Air Forces' daylight missions are flown in our own great four-engined Fortresses and Liberators. But their raids would not have been possible without the huge air bases built, equipped, and serviced by the British and without the many supplies, such as armored flak suits, heated flying suits, huge quantities of repair parts and materials, and mobile repair shops furnished by the British. All of these supplies and services and many more besides, valued at hundreds of millions of dollars, have been turned over to our forces in Britain. One-third of all the supplies and equipment currently required by our forces in the British Isles is provided by the United Kingdom, and it is provided as reverse lend-lease and without payment by us. Lend-lease and reverse lend-lease are also helping to feed the armed forces and the war workers on the British Isles. The United Kingdom has always been dependent upon imports to feed her populations and maintain her armed forces. With the aid of lend-lease seeds and relatively small amounts of lend-lease agricultural equipment and fertilizers she has been able, by plowing up hitherto untilled acreage including parks, lawns, and playing fields, to increase her own food production by 70 percent over pre-war levels. Approximately 10 percent of Britain's food requirements is supplied under lend-lease. Much larger quantities of food are imported from the dominions and colonies. The increase in British food production has benefited us as well as the British. Twenty percent of the food consumed by our armed forces in the United Kingdom is supplied as reverse lend-lease by the British. All of this food is produced locally or comes from the dominions or colonies.

This mingling of men and materials through lend-lease and reverse lend-lease has enabled the United Nations to strike harder blows at Germany from Britain. It is also creating in Britain a tremendous base for the final blows against the Nazis.

*The U. S. S. R.*—Twenty-seven percent of all lend-lease aid has been supplied to the U. S. S. R. Up to January 1, 1944, lend-lease exports



to Russia totaled \$4,240,000,000. Shipments in 1943 were more than double shipments in 1942. Shipments in December 1943 to Russia exceeded by dollar value the amount sent to any other country. Almost all of the December 1943 shipments reached their destination. Only 1 percent of the ships that sailed with supplies for Russia in 1943 was lost compared with a loss of 12 percent in 1942. Fifty-four percent of lend-lease exports to Russia have been munitions; 27 percent materials for war production; and 19 percent food for soldiers and war workers.

By January 1, 1944, in excess of 7,800 planes had been sent to the Soviet Union, over 5,000 alone in 1943, and 4,800 tanks and tank destroyers. Lend-lease shipments have also assisted in the Soviet's own war production. We have sent 177,000 tons of explosives for use in the manufacture of bombs and shells, 1,350,000 tons of steel, 384,000 tons of aluminum, copper, and other nonferrous metals, and \$400,000,000 of industrial equipment and machine tools for use in the production of planes, tanks, artillery, and other weapons of war. We have also sent 740,000 tons of aviation gasoline and petroleum products, as well as 145,000 tons of refinery equipment to enable the Soviet Union to produce large quantities of aviation gasoline from her own oil resources. In addition, by the end of 1943, we had sent 2,250,000 tons of food, which have made possible maintenance of the Soviet Army's rations.

The U. S. S. R. has performed superbly both from a military and from an industrial point of view. With the aid of lend-lease industrial equipment and raw materials she has turned out huge quantities of munitions in her own great war industries. With these and with the lend-lease munitions, the Red Army has already driven the Nazis out of a large part of Russia and is driving on toward the center of Nazi power.

Perhaps the greatest lend-lease contribution to these victories has been the assistance rendered to the Red Army in maintaining its lines of communication and supply. Distances in Russia are great, and the Red Army's lines of communication are growing longer as the advance toward the German borders continues. The supplies of the Red Army are dependent upon good trucks and adequate communications with headquarters and supply depots. The United States by January 1, 1944, had sent to the Soviet Union 170,000 trucks, 33,000 jeeps, and about 25,000 other military vehicles—half of all the motor vehicles that have been sent abroad under lend-lease—as well as 200,000 field telephones and hundreds of thousands of miles of field-telephone wire. Each motor vehicle, each field telephone, and each mile of wire has helped the Red Army to strike harder blows at our common enemies.

*Africa, the Middle East, and the Mediterranean area.*—Lend-lease exports to Africa, the Middle East, and the Mediterranean through December 31, 1943, totaled \$2,400,000,000. Of these \$1,400,000,000 went to Egypt, \$670,000,000 to the rest of Africa and \$340,000,000 to the Middle East. Three-fourths of all these exports have been munitions.

Lend-lease supplies were used first to create a powerful base in Egypt from which the Eighth Army's drive to oust the Germans from Africa was launched at El Alamein, simultaneously with the landings in French North Africa. Now that the Nazis have been driven from

Africa and the battle lines have moved forward to the north shore of the Mediterranean, they have been used to help arm the soldiers of Allied Nations in Africa for the campaigns now under way in Italy. Australian, British, Canadian, French, Greek, Indian, New Zealand, Polish, and Yugoslav troops armed in part with lend-lease weapons have fought side by side with us in the victories over the Nazis in Tunisia, Sicily, Sardinia, and Corsica and are fighting side by side with us in Italy today. And for these operations we are receiving, as reverse lend-lease, food for our armed forces from French North and West Africa, as well as planes, guns, and other supplies from the British.

The balance of lend-lease shipments to these areas consisted of supplies essential to support our military operations. Transportation facilities, public utilities, and local industries had to be kept in operation to supply the United Nations armed forces. The civilian population was assured of a minimum supply of vital items such as food, clothing, and medicines to prevent starvation and epidemics that would have endangered our forces. For these supplies we have been repaid not only by the support of the local population but also in large measure with cash. The French are paying us our full landed costs for essential civilian supplies sent to French North and West Africa. So far \$62,250,000 has been received. The French in Africa are also supplying us as reverse lend-lease with food for our armed forces.

*China and India.*—Lend-lease shipments to China and India totaled about \$1,000,000,000 by December 31, 1943. Most of these supplies have gone to India because of the great difficulties of transportation. Everything that moves into China must go by air from India "over the hump"—over the mountains 15,000 feet high that divide the province of Assam in the northeastern corner of India from Yunnan Province in the southwestern corner of China. In the past year great progress has been made in increasing the volume of goods moving into China by air. In the month of December 1943 more cargo went into China than in all of 1942. And the volume of freight moved by air is continuing to mount. The planes flying "over the hump" carry everything from guns to trucks. These supplies are for the Fourteenth United States Air Force operating in China under General Chennault, as well as for the Chinese forces and arsenals. Lend-lease supplies for China have also been used to equip several divisions of Chinese troops in India, some of whom are now fighting their way back through upper Burma in the direction of China. Other supplies have been stock-piled in India ready to move into China the minute land routes are opened up.

Pending the reopening of land routes into China, lend-lease has helped to make India a strong base for offensives against the Japanese. Most of the lend-lease supplies sent to India have been munitions, but a small percentage has been materials for war production and for transportation. India has for a long time been a more industrialized nation than is generally realized, but her ports, railroads, and other communications systems had to be improved to handle the large movements of munitions and military personnel. Lend-lease equipment has helped to make it possible for India to accomplish this program. Lend-lease equipment has also helped India to increase production of war supplies, some of which have been turned over to our forces in India as reverse lend-lease. It has also helped increase production of strategic raw materials, such as mica, which is essential for radio-location devices, jute for burlap bags, and chrome, manganese, tantalite, and beryl which are necessary alloys in making steel.

Today American engineers are building the Ledo Road, a new land route across upper Burma to China. Ahead of them, clearing the Japanese from the route, are Chinese troops, equipped in India with lend-lease weapons, as well as American veterans of Guadalcanal. American forces in this theater bring most of their weapons with them, but large quantities of the food they eat, the tropical uniforms they wear, and the other supplies they need are supplied them without payment by us as reverse lend-lease. To the south British and Indian soldiers are pushing down the coast of Burma toward Rangoon. While British and Indian arsenals have supplied most of their equipment, some has been supplied by lend-lease. Through lend-lease and reverse lend-lease we have prepared for these combined offensives and for even greater ones to come from India.

*Australia and New Zealand.*—Lend-lease exports to Australia and New Zealand totaled \$803,000,000 up to December 31, 1943. Fifty-two percent of these exports were munitions. Most of the balance consisted of war-production materials to enable the two dominions to turn out increasing quantities of munitions, foodstuffs, and other essential supplies for use by the United Nations forces in the South and Southwest Pacific.

The contributions of Australia and New Zealand to the United Nations supply programs have been outstanding. With the aid of lend-lease farm machinery, food-processing equipment, and tin plate, they have produced tremendous quantities of food. Australia supplies as reverse lend-lease, without payment by us, more than 90 percent of the food for American forces in the Southwest Pacific theater as well as large quantities for American forces in the South Pacific. New Zealand provides as reverse lend-lease almost all the food for American forces on the home islands and substantial quantities for American forces in the South Pacific theater. American forces up to January 1, 1944, had received as reverse lend-lease 500,000,000 pounds of food from Australia, and 300,000,000 pounds from New Zealand. In addition to turning over for our use airfields, hospitals, and barracks, Australia supplies us, as reverse lend-lease, with hundreds of thousands of army boots, shirts, jackets, and trousers, most of the truck tires used by our Army, and many other supplies as well. Australia and New Zealand are both building small boats and landing craft which are furnished us as reverse lend-lease for use in the campaigns to drive the Japanese out of their remaining strongholds in the Southwest Pacific and back in the direction of the Philippines and Japan.

Men and material have been interwoven in the South and Southwest Pacific to make a more powerful United Nations fighting force. Australian, New Zealand, and Dutch troops are fighting shoulder to shoulder with American forces. The Dutch, for example, who escaped from the Indies were trained to fly in the United States, and now pilot American lend-lease planes, while they receive their food and many of their other supplies from Australia and New Zealand.

Lend-lease and reverse lend-lease are playing a vital role in our offensive operations northward from Australia and New Zealand toward the centers of Japanese power.

*Latin America.*—The total value of lend-lease materials exported to other American republics from March 11, 1941, to December 31, 1943,



was \$127,000,000. Commercial exports from the United States to Latin America in the years 1941, 1942, and 1943 totaled \$2,300,000,000, 18 times the lend-lease total.

Lend-lease shipments to Latin America have constituted only eight-tenths of 1 percent of lend-lease exports to all countries since the beginning of the lend-lease program.

Eighteen lend-lease agreements have been concluded with the other American republics. No lend-lease aid has been rendered to the Republic of Panama because it is furnished aid in connection with our own Panama Canal defenses. No aid has been extended to Argentina. And because the present Government of Bolivia has not been accorded recognition by the United States, all lend-lease shipments to that country have been suspended.

Substantially all lend-lease shipments to the other American republics have been military equipment such as tanks, guns, airplanes, and small naval vessels. In addition, small amounts of essential equipment and materials have been shipped for the production of munitions. The lend-lease program for the American republics is designed to strengthen the Western Hemisphere defenses, and the schedule of munitions to be supplied to the American republics was approved by the Chief of Staff of the United States Army, the Chief of Naval Operations, and the Secretary of State.

The benefits to the United States resulting from our lend-lease and other policies in South and Central America have been substantial. Our neighbors have maintained antisubmarine patrols with lend-lease planes and ships that have helped to eliminate the submarine menace from the Caribbean, the South Atlantic, and the South Pacific. They have granted the United States permission to establish military, naval, and air bases on their territory and to use their harbors and airports. They have permitted us to fly military planes over their territories. They have undertaken programs to suppress Axis subversive activities and to eliminate Axis spies. In these and in many other other ways we have received their full cooperation in our common war effort.

## VI. REVERSE LEND-LEASE

By helping our allies with lend-lease supplies we are helping ourselves. Everything that we do to enable a Russian, a British, or a Chinese soldier to go into battle weakens the strength of our enemies—as well as theirs—and reduces the task for our own forces.

One of the wartime benefits which the United States receives in return for lend-lease aid is the supplies and services furnished to us by our allies as reverse lend-lease. Reverse lend-lease consists of goods, services, and information provided to the United States by our allies without payment by us. We are receiving a steadily increasing volume of reverse lend-lease, mostly from the British Commonwealth of Nations. But we are also receiving reverse lend-lease aid as the need arises from the French National Committee, Belgium, the Netherlands, the Soviet Union, and China.

The United Kingdom, Australia, New Zealand, and India spent more than \$2,000,000,000 for supplies and services furnished to our armed forces and merchant marine from June 1, 1942, to December

31, 1943. Expenditures by the British Commonwealth up to January 1, 1944, are as follows:

United Kingdom.....	\$1, 526, 170, 000
Australia.....	362, 650, 000
New Zealand.....	91, 886, 000
India.....	114, 451, 000
Total.....	2, 094, 872, 000

By the first of this year we were receiving reverse lend-lease supplies and services from these countries at a rate approaching \$2,000,000,000 a year, compared with a rate of a little over a billion dollars a year for the 12-month period ending June 30, 1943.

The United Kingdom Government is furnishing our forces in the British Isles with all the supplies that can be locally procured. Tens of thousands of items, big and little, have been and are being supplied to the United States Army, Navy, and Air Forces in the United Kingdom. Together they make up one-third of all the supplies and equipment currently required by our forces in Britain. In addition, virtually all housing, airdrome facilities, transportation services, civilian labor, and miscellaneous services needed by our forces are supplied as reverse lend-lease. The United Kingdom Government has also furnished us supplies and services in central Africa, Iceland, the Fijis, the Caribbean, the Middle East, and North Africa and is now supplying us as reverse lend-lease with raw materials and foodstuffs formerly imported by United States Government agencies from Britain and the colonies.

Similarly, the Governments of Australia and New Zealand are furnishing us with all supplies and services that can be locally procured. They include airports, hospitals, and barracks built especially for our use and turned over to us as reverse lend-lease. Also included are such munitions as Australia and New Zealand are equipped to produce and a large percentage of all the food consumed by American forces in the South and Southwest Pacific theater. From these two countries we had received 800,000,000 pounds of food by January 1, 1944, and we are now receiving it at the rate of almost a billion pounds a year. About 18 percent of Australia's current war expenditures are being made for reverse lend-lease aid to the United States, and this expenditure is now running at the rate of a million dollars a day. Today the monthly rate of reverse lend-lease aid which we are receiving from Australia and New Zealand approximates the monthly rate of lend-lease supplies sent to both of these countries.

The Government of India is also furnishing us with supplies and services as reverse lend-lease. We are receiving postal, telephone, and telegraph services, equipment and construction assistance for our Army and Air Force bases, tropical uniforms for use in the intense heat of the jungle fighting in Burma, large quantities of food, and thousands of items of miscellaneous supplies.

Our other allies have not been in a position to provide reverse lend-lease supplies and services to American forces on the same scale. The Soviet Union provides ship stores and repairs to United States vessels in Russian ports, and China turned over without payment by us the 28 planes surviving out of the original hundred purchased with cash for the Flying Tigers. But the Soviet Union and China, both invaded,

have required virtually all they could produce besides what we could send them for fighting the invaders on their soil. If they, while their resources are strained in driving the invaders out, were to furnish us with supplies as reverse lend-lease, it would weaken them and our common war effort as well. The French have provided reverse lend-lease estimated at \$30,000,000 to our troops in French North and West Africa in addition to aid furnished in other French territory. Belgium and the Netherlands have furnished supplies and services to our forces in the Belgian Congo and in the Dutch West Indies.

These dollar value figures for reverse lend-lease are at best an incomplete reflection of the reverse lend-lease aid we have received. In the first place, it is impossible to put a dollar figure on many reverse lend-lease services that have been furnished to us. Early in the war the British, for example, turned over to us information on developments in radio location made during the German air attacks on Britain. The value of this type of reverse lend-lease cannot be translated into dollars.

Moreover, the dollar figures do not reflect the cost that we would have to pay for the goods received if they were purchased in the United States. Reverse lend-lease expenditures are made in foreign currencies. Dollar figures are arrived at by translating foreign currency into dollars at official exchange rates which do not take into account differences in price levels in the two countries. Where foreign price levels are lower than those prevailing in the United States, dollar figures will understate the value of the aid we receive from our allies. That this understatement may in some cases be large can be seen from one example. Australia is currently engaged in filling reverse lend-lease orders for 1,000,000 blankets for the American Army at a cost to the Australian Government of \$2.64 a blanket. Substantially the same item costs \$7.67 in the United States.

Finally, neither our lend-lease aid to the other United Nations nor their reverse lend-lease aid to us is a measure of the respective contributions of each nation toward winning victory over the Axis. The contribution that each makes necessarily varies with the circumstances of the war. Some nations have been called upon to give more in lives. Some, because of their proximity to the Axis armed forces, have had their homes and cities destroyed. Such contributions cannot, of course, be measured in dollars.

Those United Nations with greater resources will, of course, contribute more in weapons and material. So far as such contributions can be measured in financial terms, one of the best measures is the extent to which each nation is devoting its national production to war. If each country devotes roughly the same proportion of its gross national production to defeat of the Axis, the financial burden is distributed equitably in accordance with the resources of each. Those with the most to give do not contribute more in proportion than those which draw upon limited resources.

Roughly 14 percent of the United States total war expenditures is being used for lend-lease. But the other 86 percent, used for our own war needs is just as much a contribution toward a United Nations victory as the 14 percent spent for lend-lease. An American bomber flown over Germany by an American crew is no less a contribution



than an American bomber flown over Germany by a Russian, British, Czech, Belgian, Dutch, Yugoslav, Norwegian, or Polish crew. Similarly, the direct war costs of the other United Nations are just as much a contribution as the money they spend for reverse lend-lease aid to the United States.

In 1943 the Soviet Union, Great Britain, Canada, Australia, and New Zealand each devoted about one-half of its gross national production to the defeat of the Axis. In 1943 the United States also used about 50 percent of its gross national production for war purposes, including lend-lease. But in the years prior to Pearl Harbor and in 1942, our first full year of war, the United States devoted to war purposes a considerably smaller proportion of its gross production than our other principal allies.

## VII. LEND-LEASE AGREEMENTS

The committee reviewed the progress which has been made during the past year in the program of lend-lease agreements. These agreements set forth the terms under which lend-lease and reverse lend-lease supplies are transferred. Generally speaking, there has been no change in the policy of these agreements, which were fully described and analyzed in our report a year ago on the first extension of the Lend-Lease Act (H. Rept. 188, to accompany H. R. 1501, 78th Cong., 1st sess.). During the past year new agreements, in the form of the master agreements previously concluded with Great Britain, the Soviet Union, and others of our allies, have been entered into with Liberia and Ethiopia, and like agreements are under negotiation with several Middle Eastern countries. Our lend-lease relations with the French forces resisting aggression, under the leadership of the French Committee of National Liberation, are being established on a uniform and orderly basis for all territory under the French Committee's authority.

The committee is of the opinion that certain benefits, such as rights to the use of air and naval bases, etc., are of the utmost importance to the United States, and can properly be taken into account under the Lend-Lease Act. In this connection, we should like to quote the testimony of Secretary Knox before this committee.

It is natural, I suppose, that as the shadow of defeat has lifted and victory has become more certain, we should be looking ahead to some of our post-war problems, such as air and naval bases. I believe my views on this subject are well known. I should like to make it clear that I believe the question of air and naval bases goes far beyond any question of the lend-lease settlement. The question of national security is one which is dependent upon the security arrangements which will prevail in the post-war period. The Congress, as evidenced by the passage of the Fulbright and Connally resolutions, feels that our security program must rest upon cooperation with the other nations of the world. Thus, the question of airfields and naval bases cannot be considered on a bilateral basis as a lend-lease problem alone, although the solution of our problems of national security may well give rise to lend-lease benefits.

The same principles apply to communications facilities, including landing rights for our commercial aircraft and installations for radio and cable facilities. Arrangements with other nations with respect to such matters must be made in accordance with our constitutional procedures.

## VIII. CONCLUSION

The United Nations are now approaching the decisive battles of the war. There must be no slackening, but a doubling and redoubling of our efforts until the power of the enemy has been smashed and a final victory has been won. The lend-lease program of the United States and the mutual war-aid programs of the United Nations are providing the weapons needed for victory on every front and the production lines behind those fronts. The combined organizations of the United Nations for waging war have demonstrated again and again that unity has made for strength. Unity in this fateful hour, as United Nations' forces are poised for the final blows, is more essential than ever before. If the freedom-loving peoples of the world remain united now, we can be confident not only of victory, but hopeful for the international cooperation which will be necessary to work out a just and durable peace.



Union Calendar No. 446

78TH CONGRESS  
2D SESSION

# H. R. 4254

[Report No. 1316]

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 23, 1944

Mr. BLOOM introduced the following bill; which was referred to the Committee on Foreign Affairs

MARCH 30, 1944

Reported with an amendment, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

[Insert the part printed in italic]

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## A BILL

To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That subsection (c) of section 3 of an Act to promote the  
4       defense of the United States, approved March 11, 1941, as  
5       amended, is amended by striking out "June 30, 1944"  
6       wherever it appears therein and inserting in lieu thereof  
7       "June 30, 1945"; by striking out "July 1, 1947" and  
8       inserting in lieu thereof "July 1, 1948"; and by striking  
9       out "July 1, 1944" and inserting in lieu thereof "July 1,



1 1945"; and subsection (b) of section 6 of such Act is  
2 amended by striking out "June 30, 1947" and inserting in  
3 lieu thereof "June 30, 1948".

4       *SEC. 2. Subsection (b) of section 3 is amended by*  
5 *striking out the period after the word "satisfactory" and in-*  
6 *serting the following: ": Provided, however, That nothing in*  
7 *this paragraph shall be construed to authorize the President*  
8 *in any final settlement to assume or incur any obligations on*  
9 *the part of the United States with respect to post-war economic*  
10 *or post-war military policy except in accordance with estab-*  
11 *lished constitutional procedure."*



Union Calendar No. 446

78TH CONGRESS  
2d Session

**H. R. 4254**

[Report No. 1316]

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## **A BILL**

To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

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By Mr. BLOOM

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FEBRUARY 23, 1944

Referred to the Committee on Foreign Affairs

MARCH 30, 1944

Reported with an amendment, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed







## CONSIDERATION OF H. R. 4254

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APRIL 13, 1944.—Referred to the House Calendar and ordered to be printed

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Mr. Cox, from the Committee on Rules, submitted the following

### REPORT

[To accompany H. Res. 498]

The Committee on Rules, having had under consideration House Resolution 498, report the same to the House with the recommendation that the resolution do pass.







## House Calendar No. 223

78<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. RES. 498

[Report No. 1350]

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### IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 1944

Mr. Cox, from the Committee on Rules, reported the following resolution;  
which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1     *Resolved*, That upon the adoption of this resolution  
2 it shall be in order to move that the House resolve itself  
3 into the Committee of the Whole House on the state of  
4 the Union for the consideration of the bill (H. R. 4254),  
5 to extend for one year the provisions of an Act to promote  
6 the defense of the United States, approved March 11, 1941,  
7 as amended, and all points of order against said bill are  
8 hereby waived. That after general debate, which shall be  
9 confined to the bill and continue not to exceed two days,  
10 to be equally divided and controlled by the chairman and  
11 the ranking minority member of the Committee on Foreign  
12 Affairs, the bill shall be read for amendment under the five-

1 minute rule. At the conclusion of the consideration of the  
2 bill for amendment, the committee shall rise and report the  
3 bill to the House with such amendments as may have been  
4 adopted and the previous question shall be considered as  
5 ordered on the bill and amendments thereto to final passage  
6 without intervening motion, except one motion to recommit.

House Calendar No. 223

78<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**H. RES. 498**

[Report No. 1350]

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## RESOLUTION

For the consideration of H. R. 4254.

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By Mr. Cox

APRIL 13, 1944

Referred to the House Calendar and ordered to be  
printed







OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

78th-2nd, No. 66

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued April 18, 1944, for actions of Monday, April 17, 1944)

(For staff of the Department only)

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HOUSE

1. LEND-LEASE. Began debate on H. R. 4254; to extend for one year the Lend-Lease Act (pp. 3564-77). During debate on the bill, Rep. Knutson, Minn., criticized the exportation of farm machinery when "our own farmers cannot get equipment" (pp. 3571-2); Rep. Johnson, Ill., stated that lend-lease is "a very shrewd business proposition" for the English (p. 3576); Rep. Wadsworth, N. Y., stated that "it would be absurd for us to try to collect...for the food they have eaten" (p. 3576); and Rep. Eaton, N. J., indicated that the bill will be read and voted upon Wed. (p. 3574).
2. FOREIGN RELIEF. Agreed, without amendment, to H. Res. 221, urging the State Department to endeavor to work out relief for stricken people of Europe (pp. 3554-5).
3. PERSONNEL; VETERANS' PREFERENCE. Passed; 312-1, as reported H. R. 4115, which extends veterans' preference, for Federal employment, to husbands and widowers of service-connected disabled ex-service women; eliminates from future preference so-called peacetime veterans, except that this shall not take away previous rights; provides that so long as persons entitled to preference are available, civil-service examinations for guards, elevator operators, messengers, and custodians are to be limited to such persons; provides that preference eligibles shall not be subject to the provision concerning two or more members of a family in the service; states that absolute preference shall not apply to disabled veterans in connection with professional or scientific positions for which the entrance salary is over \$3,000; requires appointing officers, in passing over a veteran eligible, to file his reasons with the Civil Service Commission for review; provides for procedure in any reduction in civilian personnel, making specific provisions with respect to retention of veterans; gives special preferences to veterans in the way of prior notice before they are discharged, suspended for more than 30 days, furloughed without pay, reduced in rank or compensation, or debarred from future appointment except in certain cases; and carries provisions regarding preferences for veterans in connection with appropriate civil-service registers (pp. 3558-64).



4. PERSONNEL; RETIREMENT. Passed without amendment H. R. 4320, which limits the computation of interest on retirement-refund claims of persons having rendered less than five years' service to a monthly basis (p. 3555).
5. FARM LABOR; SELECTIVE SERVICE. Rep. Sabath, Ill., stated that there is "resentment" because young workers in industry and on farms continue to be deferred while older men are taken (p. 3553).
6. A. A. A. GRANTS-IN-AID. At the request of Rep. Kean, N. J., passed over H. R. 3405, subjecting AAA grant-in-aid materials, etc., to State inspection (p. 3553).
7. FORESTRY. At the request of Rep. Barden, E. C., passed over H. R. 2241, to restore Jackson Hole National Monument lands to the Teton National Forest (p. 3556).
8. LAND ACQUISITION. At the request of Rep. Satterfield, Va., passed over S. 919, to expedite payment for land acquired during the war period (p. 3553).
9. COMMITTEE ASSIGNMENT. Rep. Gillespie, Colo., was elected to the Public Buildings and Grounds Committee (p. 3551).

SENATE

10. ARCHIVES. Both Houses received the Fourth Annual Report of the Archivist for the fiscal year 1943. To Senate Library Committee and House Disposition of Executive Papers Committee. (pp. 3535, 3578.)
11. TRANSPORTATION; POST-WAR PLANNING. Received a Northern Federation of C of C resolution favoring S. 1385, authorizing the St. Lawrence seaway and power development as a post-war project (p. 2537).
12. FARMERS' UNIONS. Agreed to Sen. La Follette's request to have printed the Education and Labor Committee's report, "The Associated Farmers of California, Inc.: Its Reorganization, Policies, and Significance" (H. Rept. 398, pt. 4) (p. 3537).
13. FARM MACHINERY; FOOD ADMINISTRATION. Sen. Capper, Kans., discussed the problems of a "machinery starved" agriculture, stating that "it is high time...the W.F.A. and W.P.B. take actions...to get adequate machinery and equipment for American farmers" and inserted American Farm Bureau resolutions favoring support prices, soil conservation practices, farm labor deferments, equitable feed and protein supply distribution, cooperative farm credit system, Government economy, and opposing consumer subsidies and freight rate discrimination (pp. 3538-41).
14. POULTRY; PRICE CONTROL. Sen. Tunnell, Del., criticized OPA's and WFA's attitudes toward poultry prices and included his correspondence with those agencies on the subject (pp. 3547-9).
15. FOREIGN RELIEF; EDUCATION. Sen. Vandenberg, Mich., discussed the relationship of UNRRA to educational activities in war torn United Nations (pp. 3542-3).

BILLS INTRODUCED

16. SURPLUS PROPERTY. By Sen. Bridges, N.H., S. Res. 281, directing a through investigation with respect to facts and policies on inventories, and disposition of war materials and other tangible property acquired, held, or utilized by the Government for war purposes. To Military Affairs Committee. (p. 3538.)



mission and it has the approval of the President of the United States. It is true, Mr. Speaker, this act does not make a great many changes in the present veterans' preference, which exists largely by Executive order, but it is important, I think, that those Executive orders be given legislative status by the Congress.

It does give some additional strength to the veterans' preference, by strengthening the Executive orders now in existence. For the first time it includes the husbands and widowers of service-connected disabled women. It also gives absolute preference to veterans in examinations for the position of guard, elevator operator, messenger and custodian, as long as preference eligibles are available. It also gives the right to assign other groups of positions for a period of 5 years, to veterans only; which is a rather important provision in view of the situation that has prevailed. It strengthens the law as to passing over veterans, so that a veteran himself or his designated representative, may know what the reason is. That is one of the things the veterans themselves have been very much interested in.

I think this is a sane law, and yet it is no more than the men who are fighting for the freedom of our people in this country are entitled to and should have.

I hope there will not be a single vote against this bill.

I yield such time as he may desire to the gentleman from Maryland [Mr. D'ALESSANDRO].

(By unanimous consent, Mr. D'ALESSANDRO was granted permission to revise and extend his remarks.)

Mr. D'ALESSANDRO. Mr. Speaker, I am in favor of H. R. 4115, a bill to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed, and I urge the passage of this veterans' preference bill, which has the support of the American Legion, the Veterans of Foreign Wars, and the Disabled World War Veterans.

At this time I urge the Committee on World War Veterans' Legislation to favorably report out H. R. 4057 to the House for action.

I favor this legislation because this Nation of ours has trained 12,000,000 fighting men to destroy and kill. They have been taken away from schools, colleges, and jobs. Their home life has been broken up, and they have turned into hard, tough soldiers and sailors, yes, the best in the world.

Gentlemen, this war will not go on forever. One of these days it will be over; I pray soon.

We will then face a tremendous problem. It will be a problem of returning all these fighting men and women, too, back into normal channels of civilian life. This is a most important problem because it affects 10 percent of our entire population. It is the most vigorous 10 percent of the Nation—the young men and women upon whom the future welfare of this country will depend. Every effort must be made that nothing will interfere with the physical and economic

development of this segment of our people.

It is, therefore, a problem that must be solved well, and not in a haphazard, hit-and-miss manner, but must also be solved with understanding and sympathy because it is first of all a great human problem.

Yet the solution will not be easy. As I said previously, these millions of men have been taught how to destroy and kill. Now we have to retrain them how to build and live.

They will be coming back at a time when the country's national economy may be under terrific strain, when millions now employed in war production may be laid off, plants may shut down; no one can accurately predict the shape of those things to come.

But one prediction can be made with certainty. The millions of men and women returning from the war fronts and camps will need jobs, money, training, hospitalization, and other assistance. They will expect stability and security, so that they can start rebuilding their private lives.

We must give them all that. It is the least we can do for them because they will have given us continued freedom and liberty.

All this calls for being ready for a sound and orderly program. It must be a program that is fair alike to veterans and taxpayers. Such a program is needed now because men and women already are being discharged from the armed forces by the thousands every day. This is not only a major post-war program, it is also a today program.

It is my opinion that the American Legion has prepared such a master plan for demobilization and rehabilitation in its omnibus bill for World War No. 2 veterans—their G. I. bill of rights.

If enacted, this bill will provide a sound, modest, constructive plan for dealing with the entire veteran problem of this war. It will substitute order and system for the chaos and confusion now existing as a dozen different Government agencies are quarreling over control of certain functions for veterans. It will centralize responsibility, reduce red tape, eliminate overlapping services, reduce costs, and, most of all, assure the new veterans of a decent break.

The bill will also prevent a repetition of the tragic mistakes under which World War No. 1 veterans suffered.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. GIFFORD. I attended a committee meeting this morning at which Mr. Green was present. I wanted to ask about veterans preference on a project of the Government, where a union card is necessary. Would the soldier's preference card, even from us, supersede a union card? Could he have the job, or because he did not have a union card would he be refused?

Mr. RAMSPECK. If the gentleman is referring to Government projects, he would be given preference. The Government does not recognize any closed shop agreement, as far as I know. Wherever

the Government employs people they have a right to belong to a union, but there is no closed-shop agreement. This bill will give the veterans preference on any jobs where the United States Government, in the executive branch of the Government, is the employer.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. WICKERSHAM. As I understand it, a person now taking a post-office examination, who is going into the service, cannot be considered as eligible for that post office. Does not the gentleman from Georgia feel that that situation should be corrected?

Mr. RAMSPECK. Of course, I am not familiar with the question which the gentleman has asked. I did not know of any such rule existing, but it would not have any effect on this legislation. I will be very glad to look into the question which the gentleman has raised, but it does not affect this bill.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Georgia to suspend the rules and pass the bill.

Mr. RAMSPECK. Mr. Speaker, on that I ask for a division.

The question was taken; and on a division there were—ayes 88, noes none.

Mr. RAMSPECK. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—ayes 312, nays 1, not voting 116, as follows:

[Roll No. 54]

YEAS—312

Abernethy	Burch, Va.	Dingell
Allen, La.	Burchill, N. Y.	Dondero
Andersen,	Burgin	Doughton
H. Carl	Busbey	Dworshak
Anderson,	Byrne	Eaton
N. Mex.	Camp	Elliott
Andresen,	Canfield	Ellis
August H.	Capozzoli	Ellison, Md.
Andrews, N. Y.	Carlson, Kans.	Ellsworth
Angell	Carrier	Elmer
Arends	Celler	Elston, Ohio
Arnold	Church	Engel, Mich.
Auchincloss	Clason	Feighan
Barden	Cochran	Fish
Barrett	Cole, Mo.	Fisher
Barry	Cole, N. Y.	Fitzpatrick
Beall	Colmer	Flannagan
Beckworth	Compton	Folger
Bell	Cooper	Forand
Bennett, Mich.	Costello	Gallagher
Bennett, Mo.	Courtney	Gamble
Bishop	Cox	Gathings
Blackney	Cravens	Gavin
Bland	Crawford	Gibson
Bloom	Crosser	Gifford
Bolton	Cunningham	Gilchrist
Bonner	Curley	Gillespie
Boykin	Curtis	Gillette
Bradley, Mich.	D'Alesandro	Gillie
Brehm	Davis	Goodwin
Brooks	Dawson	Gordon
Brown, Ga.	Day	Gossett
Brown, Ohio	Delaney	Graham
Brumbaugh	Dewey	Grant, Ala.
Bryson	Dickstein	Grant, Ind.
Bulwinkle	Dilweg	Gregory



Griffiths	McCowan	Rogers, Calif.
Gwynne	McGehee	Rogers, Mass.
Hall,	McGregor	Rohrbough
Edwin Arthur	McKenzie	Rowan
Hall,	McLean	Rowe
Leonard W.	McMillan	Sabath
Halleck	McMurray	Satterfield
Hare	Madden	Scanlon
Harless, Ariz.	Magnuson	Schiffler
Harness, Ind.	Mahon	Scott
Hartley	Maloney	Scrivner
Heffernan	Mansfield,	Short
Heidinger	Mont.	Simpson, Pa.
Hendricks	Mansfield, Tex.	Smith, Maine
Herter	Marcantonio	Smith, Ohio
Hess	Martin, Iowa	Smith, Wis.
Hill	Martin, Mass.	Snyder
Hinshaw	Mason	Spence
Hobbs	May	Springer
Hoeven	Merritt	Starnes, Ala.
Hoffman	Merrow	Stearns, N. H.
Holifield	Michener	Stevenson
Holmes, Mass.	Miller, Conn.	Stigler
Holmes, Wash.	Miller, Mo.	Stockman
Hope	Miller, Nebr.	Sullivan
Howell	Miller, Pa.	Sumner, Ill.
Hull	Mills	Sumners, Tex.
Izac	Monkiewicz	Sundstrom
Jackson	Monrone	Taber
Jeffrey	Mott	Talbot
Jennings	Mundt	Talle
Johnson,	Murray, Tenn.	Tarver
Anton J.	Murray, Wis.	Taylor
Johnson,	Norman	Thomas, N. J.
Calvin D.	O'Brien, Ill.	Thomas, Tex.
Johnson, Ind.	O'Brien, Mich.	Thomason
Johnson,	O'Brien, N. Y.	Tibbott
J. Leroy	O'Hara	Tolan
Johnson,	O'Konski	Torrens
Luther A.	O'Toole	Towe
Johnson,	Outland	Treadway
Lyndon B.	Pace	Troutman
Johnson, Ward	Patman	Vincent, Ky.
Jonkman	Patton	Vinson, Ga.
Judd	Peterson, Fla.	Voorhis, Calif.
Kean	Peterson, Ga.	Vorys, Ohio
Kearney	Pfeifer	Vursell
Keefe	Philbin	Wadsworth
Kelley	Pittenger	Walter
Keogh	Ploeser	Wasielewski
Kilburn	Plumley	Weaver
Kilday	Poage	Welch
King	Poulson	Wene
Kinzer	Powers	West
Kirwan	Pracht,	Whelchel, Ga.
Kleberg	C. Frederick	Whitten
Klein	Pratt,	Whittington
Knutson	Joseph M.	Wickersham
LaFollette	Priest	Wigglesworth
Lambertson	Rabaut	Willey
Lanham	Ramey	Wilson
Larcade	Ramspeck	Winstead
Lea	Randolph	Winter
LeCompte	Rankin	Wolcott
Lenke	Reece, Tenn.	Wolfenden, Pa.
Lesinski	Reed, Ill.	Wolverton, N. J.
Lewis	Rees, Kans.	Woodruff, Mich.
Luce	Richards	Woodrum, Va.
Ludlow	Robertson	Worley
Lynch	Robinson, Utah	Wright
McConnell	Robison, Ky.	Zimmerman
McCord	Rockwell	
McCormack	Rogers, Pa.	

NAYS—1

Smith, Va.

NOT VOTING—116

Allen, Ill.	Dirksen	Hancock
Anderson, Calif.	Disney	Harris, Ark.
Andrews, Ala.	Douglas	Harris, Va.
Baldwin, Md.	Drewry	Hart
Baldwin, N. Y.	Durham	Hays
Bates, Ky.	Eberharter	Hébert
Bates, Mass.	Engle, Calif.	Hoch
Bender	Fay	Horan
Boren	Fellows	Jarman
Bradley, Pa.	Fenton	Jenkins
Buckley	Fernandez	Jensen
Buffett	Fogarty	Johnson, Okla.
Burdick	Ford	Jones
Butler	Fulbright	Kee
Cannon, Fla.	Fuller	Kefauver
Cannon, Mo.	Fulmer	Kennedy
Carson, Ohio	Furlong	Kerr
Carter	Gale	Kunkel
Case	Gearhart	Landis
Chapman	Gerlach	Lane
Chenoweth	Gore	LeFevre
Chilperfield	Gorski	McWilliams
Clark	Granger	Maas
Clevenger	Green	Manasco
Coffee	Gross	Morrison, La.
Cooley	Hagen	Morrison, N. C.
Dies	Hale	Mruk

Murdock	Rizley	Slaughter
Murphy	Rolph	Smith, W. Va.
Myers	Russell	Somers, N. Y.
Newsome	Sadowski	Sparkman
Norrell	Sasser	Stanley
Norton	Sauthoff	Stefan
O'Connor	Schwabe	Stewart
O'Neal	Shafer	Ward
Phillips	Sheppard	Weichel, Ohio
Price	Sheridan	Weiss
Reed, N. Y.	Sikes	White
Rivers	Simpson, Ill.	

So, two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

The Clerk announced the following pairs:

## General pairs:

Mr. Green, with Mr. Jenkins.	Mr. Furlong, with Mr. Clevenger.
Mr. Hart, with Mr. Reed of New York.	Mr. Murdock, with Mr. Baldwin of New York.
Mr. O'Neal, with Mr. Dirksen.	Mr. Chapman, with Mr. Sauthoff.
Mr. Hoch, with Mr. Kunkel.	Mr. Fulbright, with Mr. Rizley.
Mr. Buckley, with Mr. Jones.	Mr. Newsome, with Mr. Phillips.
Mr. Sparkman, with Mr. Douglas.	Mr. Slaughter, with Mr. Anderson of California.
Mr. Lane, with Mr. Schwabe.	Mr. Baldwin of Maryland, with Mr. Fuller.
Mr. Manasco, with Mr. Weichel of Ohio.	Mr. Bradley of Pennsylvania, with Mr. Landis.
Mr. Fay, with Mr. Shafer.	Mr. Cannon of Missouri, with Mr. Fellows.
Mr. Gorski, with Mr. LeFevre.	Mr. Drewry, with Mr. Horan.
Mr. Sadowski, with Mr. Stefan.	Mr. Harris of Virginia, with Mr. Buffett.
Mr. Engle of California, with Mr. Chenoweth.	Mr. Jarman, with Mr. Hancock.
Mr. Ward, with Mr. Simpson of Illinois.	Mr. Weiss, with Mr. Bender.
Mr. Boykin, with Mr. Rolph.	Mr. Smith of West Virginia, with Mr. Gross.
Mrs. Norton, with Miss Stanley.	Mr. Kerr, with Mr. Maas.
Mr. Sheppard, with Mr. Fenton.	Mr. Kee, with Mr. Mruk.
Mr. Kennedy, with Mr. Allen of Illinois.	
Mr. Andrews of Alabama, with Mr. Butler.	
Mr. Somers of New York, with Mr. Carson of Ohio.	
Mr. Morrison of Louisiana, with Mr. Jensen.	

The result of the vote was announced as above recorded.

The doors were opened.

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

Th SPEAKER. Is there objection?

There was no objection.

## BOARD OF VISITORS TO THE UNITED STATES COAST GUARD ACADEMY

The SPEAKER laid before the House the following communication:

APRIL 12, 1944.

The SPEAKER,  
House of Representatives,  
Washington, D. C.

DEAR MR. SPEAKER: HON. FRANK W. BOYKIN, of Alabama, has resigned from the Board of Visitors to the United States Coast Guard Academy, and I am writing to advise you that I have appointed Hon. LOUIS J. CAPOZZOLI, of New York, to serve in his place.

Yours very sincerely,

S. O. BLAND, Chairman.

## EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier in the day.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(Mr. HOLIFIELD asked and was given permission to extend his remarks in the Record.)

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a newspaper article by Gould Lincoln entitled "Sphynx of Albany, Tom Dewey."

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

[The matter referred to appears in the Appendix.]

## PERSONAL EXPLANATION

Mr. PETERSON of Georgia. Mr. Speaker, I was unavoidably delayed attending a session of the House on last Friday. Had I been present I would have voted for the naval appropriation bill.

## EXTENSION OF LEND-LEASE

Mr. COX. Mr. Speaker, I call up House Resolution 498, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4254), to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 days, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. Fish], to be used as he deems proper, and I yield myself 5 minutes at this time.

Mr. Speaker, this resolution makes in order the consideration of the bill H. R. 4254, reported by the Committee on Foreign Affairs. H. R. 4254, with the exception of one amendment, simply provides for an extension of the Lend-Lease Act adopted in 1941 for the period of 1 year.

At the hearing before the Rules Committee on the application for a rule it was disclosed that this bill was reported unanimously by the Committee on Foreign Affairs. The action of the Rules Committee on the pending resolution was unanimous. A splendid report was filed with the bill. It sets forth convincing reasons why the bill should be accepted.



If there is doubt in the minds of Members, I would suggest that they obtain a copy of the report from the Clerk's desk. It is brief and informative and would be helpful to you in getting a clear picture of what has been done in administering the Lend-Lease Act.

I notice that the report refers to lend-lease as an essential part of our organization for waging war. I get some degree of satisfaction out of that declaration made by the committee.

Continuing, the report reads as follows:

Lend-lease has been built into the fabric of the supply arrangements of the United Nations and has been approved, over and over again, a flexible and valuable part of our mobilization for war, serving the needs of our many battle fronts in ways which contribute to the development of sound and harmonious relations with our allies. So long as the war continues—and it is the duty of every civilian officer of the Government, as Mr. Stettinius pointed out, "to work, think, and plan for war until the shooting stops"—the Lend-Lease Act is a military necessity of the first importance.

Mr. Speaker, there are those who will recall that in 1941, when this lend-lease proposal reached the House, I referred to it as an act of war. That statement was rather shocking to some because the country had been educated into the belief that it was a movement in behalf of peace. I think it was along about that time I stated publicly that I regarded both the destroyer transaction and the lend-lease proposal as acts of war. I could not see that they were efforts to maintain peace. We were unprepared for a war that we could not escape. We needed time to prepare. In this report they now acknowledge lend-lease to have been an act of war. There was no disposition, however, on my part to quarrel with those in charge of public affairs and who were insisting that the lend-lease and destroyer transactions were moves on the part of the Government in behalf of peace.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. COX. Mr. Speaker, I yield myself 2 additional minutes.

Some, having much to do with the advancement of these proposals, probably realized that they were in fact acts of war, but because of public sentiment were unable to take that position. Very frankly, I think the President traveled in the direction of war just as rapidly as he could safely afford to without so shocking public sentiment as to get a reaction which would operate as a depressant upon the preparations for war that were then necessarily going on, and of what he has done in waging war I have nothing but praise.

Mr. Speaker, the committee reporting this bill offers an amendment. As to what the House should do with it I make no suggestion. It simply imposes something of a limitation upon the power of the President which the original may have carried. As for myself, I see no objection to the amendment. As a matter of fact, it is my disposition to give it my support, although I have the feeling that there are those who think it ill-advised and will insist that it not be

carried in the bill if and when it is finally passed by this House.

I hardly feel that it is necessary to discuss this matter. I am convinced that all Members of Congress realize the importance of the extension of this act and have knowledge of the part it has played in the waging of the war we are now carrying on in all parts of the world. I hope it is adopted without a dissenting vote.

The SPEAKER. The time of the gentleman from Georgia has again expired.

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill extends for 1 year the provisions of the Lend-Lease Act which was approved March 11, 1941. It comes to you with the unanimous endorsement of the Committee on Rules.

I believe that in the long time I have been a Member of the Congress and of the House of Representatives we had the most extended and controversial debate on the passage of the original lend-lease legislation. I remember very well that the gentleman from Georgia—and I think he was the only Member of the House to do so—stated at that time that the lend-lease bill was actually an act of war. I further remember complimenting the gentleman from Georgia [Mr. Cox] on his intellectual honesty in making that statement, because those of us who opposed the original lend-lease bill always stated that it was a step toward war and those who advocated it said, not at all, it was aimed to keep us out of war, and was an act short of war. I spoke repeatedly upon the bill and always said that I opposed it because I felt it was a step to get us into war. Now it is virtually admitted, although it may be an academic question that it was an act of war at that time, as the gentleman from Georgia said. The public did not know it back home or the bill would not have gone through, because the public were not for war.

I remember now—and I have not looked over the bill—one provision in that bill. I am not discussing the question of the merits or demerits of the provision, I am merely pointing out that that provision was an act of war in itself. It provided for the reoutfitting and rebuilding of belligerent battleships and warships of all kinds, a complete repudiation of all international law and of the traditional policy of America laid down by the Alabama Claims case some 70 years ago, and subscribed to by every civilized nation.

There were other parts of that bill also that were acts of war, but the majority leader and everybody else supporting the bill told us it was a measure short of war and that it had for its purpose keeping us out of war. Now we find 3 years later quite to the contrary.

It is not only the gentleman from Georgia who makes such a statement. I have here a similar statement from a distinguished American, Arthur Hays Sulzberger, editor and I believe owner of the New York Times, one of the greatest newspapers in America if not in the world. Speaking a short time ago before some Red Cross gathering, he had this to say:

I happen to be one of those who believe that we did not go to war because we were attacked at Pearl Harbor. I hold rather that we were attacked at Pearl Harbor because we had gone to war when we had made the lend-lease declaration.

That statement has been carried in all the newspapers of the country. I admire his honesty just as much as I admire the intellectual honesty of the gentleman from Georgia [Mr. Cox].

The SPEAKER. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Georgia.

Mr. COX. I wish to make the observation that I agree with the gentleman that Pearl Harbor or no Pearl Harbor, we were in the war. I think we were in the rip of fortune, over which we had no control. It was because of that feeling that we were drawn into the war and without the possibility of helping ourselves that I supported lend-lease and the destroyer transaction.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield to me at that point?

Mr. FISH. I certainly am glad to yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I am inclined to agree with the gentleman from Georgia, but I am afraid I have to disagree with the gentleman from New York. I believe there was a sincere effort made, at the time the Lend-Lease Act was passed, to keep us out of war, but I do believe that the inevitable drift of circumstances at that time which, of course, many of us did not foresee, carried us into war. I do believe that unless we had passed the Lend-Lease Act we would have fought the war, but we would not have had any allies.

Mr. FISH. I am not going to argue as to the merits or demerits of lend-lease as that is today more or less an academic question. I think 80 percent of the American people were very desirous of keeping out of the war until we were attacked at Pearl Harbor. I confess that even after the passage of the Lend-Lease Act I had some hopes we would keep out of this European or world war, which has become a global war since we have entered it. I think most American people hoped that also. But actually, when we passed the original lend-lease bill, according to some of its supporters, they believed we entered the war then and that it was an act of war. I want this question as a matter of historical data to be discussed now and placed in the RECORD. Of course, I have no apologies for my views. I would have done anything in the world to keep out of the war. I do not agree with those who say we would have been involved in this war anyway. The American people were almost united in their determination to stay out of war until or unless we were attacked by Japan or any other nation. After we were attacked in that dastardly and lawless manner at Pearl Harbor the whole Nation was unified, interventionists and noninterventionists alike, and all but one Member of Congress voted for



war. All Members of Congress, Republicans and Democrats alike, since then have voted for every appropriation to win the war. We all are united and determined, no matter what it costs in blood, money, and tears, to win the war. I am going back to the time we first passed the lend-lease bill, and I am placing in the RECORD statements made by its supporters who now claim it was an act of war when the entire American public and the Congress were told by the proponents of the measure that it was a peace measure to keep us out of the war and who were always saying it was a measure short of war. Now we find, long afterward, that that was not the fact.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. FISH. I yield.

Mr. WRIGHT. I would not quarrel with any individual's position prior to Pearl Harbor. I am convinced there was a difference of opinion; in most cases it was an honest difference of opinion. The only quarrel I have with the gentleman from New York is the implication in his remarks that if we did not pass the lend-lease bill we would not have been involved in the war. I maintain we would have been involved in the war, but we would not have had any allies to fight the war with.

Mr. FISH. That is one thing neither I nor the gentleman from Pennsylvania can possibly prove. You are entitled to your views and I am entitled to mine. If we had actually entered the war at the time of the passage of the Lend-Lease Act, it would have been disastrous, as Germany would never have attacked Soviet Russia and we would have held the war bag. I believe that the lend-lease bill and the measures that followed it were all direct steps to war. But today it is not the noninterventionists who were opposed to these measures who are saying it, but those who advocated the lend-lease and other measures, who are now saying that the lend-lease virtually was an act of war. And it is not our side. I mean the noninterventionist side, that makes that contention, but it is the proponents of the bill, who were always saying this was a measure short of war and to keep us out of the war, and that it was for America's interest primarily to keep us out of this conflict.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

Mr. WRIGHT. I venture to say that if the gentleman would consult the ideas of Members of Congress who were here when the Lend-Lease Act was passed, that at the time, with the exception of the gentleman from Georgia who was quite frank, and I remember his statement that it was an act of war, most, if not all of the gentlemen beside him were convinced that we might be able to avoid war in that way by bolstering up our allies.

Mr. FISH. I think they made it very clear so far as the public is concerned, in voting for it they voted for it as a peace measure and not a war measure. Many of us, not on this side alone, because it was nonpartisan to that extent,

said this is a step toward war and that this would involve us in war. That is why we were opposing it because we wanted to keep out of war. Mind you, we were not opposed to helping England. We were not opposed to giving supplies and arms to England because as I recall now, as I am speaking, I made the motion to recommit, to give \$2,000,000,000 to England to buy supplies and weapons in this country in order to protect herself in her hour of need. As a matter of record England did not use under this bill the \$2,000,000,000 during the first year. So my proposal, which was voted upon in the motion to recommit on a record vote, was to make that \$2,000,000,000 available immediately, showing we wanted to help England, but did not want to get into war by doing so. We knew that if we equipped and repaired belligerent battleships that it was in itself an act of war and a repudiation of every principle of international law and our own American traditions.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SABATH. Does not the gentleman contend that the passage of the Lend-Lease Act was an act of war and that it forced us into the war and that if we had not passed it we would not have been involved in this war?

Mr. FISH. My contention was that it was one of many steps which involved us in the war, which is now admitted by many of its proponents. Those of us who felt differently but wanted to aid England by measures short of war, which was our position, and which at one time was the position of both parties, offered this amendment for \$2,000,000,000, so England could buy all the supplies, ammunition, foodstuffs, and everything else in this country during that year and if she needed more the next year we were willing to make additional appropriations, but we did not want to be involved in the war, which these and other provisions in the bill actually did accomplish.

Mr. SABATH. What I want to know is whether the gentleman contends that the passage of the lend-lease bill brought us into war?

Mr. FISH. I am contending just as my language indicates, which I think is very clear, that this was one of the steps that led toward war. The proponents of the bill, including Mr. Sulzberger, say now it was actually an act of war.

Mr. Speaker, I would like now to take some time to discuss a bill which went through unanimously under the very able leadership of the distinguished chairman of the Committee on Foreign Affairs, my colleague, the gentleman from New York [Mr. BLOOM], who today put through by unanimous consent a bill of which I was the author, to feed the starving women and children in the occupied democratic countries of Europe. That bill having gone through by unanimous consent, I think it is proper there should be some discussion of it at the present time. Time is of the essence. It will do no good, it will be a mere gesture, a mere scrap of paper, if we just pass this resolution and

do nothing more about it. I take it it is the unanimous purpose of the House of Representatives and of the Congress of the United States, because the Senate has passed a similar bill, to use our influence and use it now, a great moral influence, to try to persuade our friends and allies, the British, to relax the blockade so that millions of little starving children in France, Belgium, Holland, Norway, Poland, and other democratic nations can be saved from starvation. Unless we act, and unless our Government acts, carrying out the desires and the will of the Congress and the elected Representatives of the people, urging the British to relax this blockade, millions of small, innocent, helpless children in Europe will die of starvation during the coming winter, if the war lasts that long, because it must be self-evident that there will be not enough food to go around in these occupied democracies during the coming winter. They are on the verge of starvation now. Many of them have already died of starvation and dread diseases such as rickets. Sixty-five percent of them have some form of incipient tuberculosis.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. FISH. I will yield myself 5 additional minutes.

We, in America, are indeed fortunate. We have plenty to eat. We have been so far saved from air raids and bombings by the enemy but these mothers and children in the nations that have been overrun by the Germans are the victims of war and its ravages. They did not cause the war. They had nothing to do with the war whatever. Their fathers fought against the Germans until they were defeated and their countries overrun. Today, as a matter of record, we are feeding our own prisoners in Germany. Great Britain, who so far has refused to relax the blockade, is also feeding hers in Germany, and let me say in all fairness, the English people feel exactly the way we do, and Parliament feels the same way, and I predict that within a short time the blockade will be relaxed and these occupied nations with their own money, because they have gold and other securities in the United States and England, will be able to buy food and milk and vitamins to send in Swedish ships, neutral ships, to France, Holland, Belgium, Norway, Poland, and other occupied countries, including Finland if advisable.

I believe the British have already about made up their minds, or are going to make up their minds shortly, and this resolution will be very helpful, showing the will of the Congress and of the American people, in favor of relaxing the blockade. We can understand perfectly well that in the first part of the war, when England was under attack, she could not afford to relax the blockade. Conditions are different today, and England is not in any immediate danger of attack. During the last war Herbert Hoover was the administrator of relief in Belgium for 4 long years. He fed 7,000,000 Belgians and kept them alive. It is claimed that not 1 pound of this food went to the German Army or to the



German population. Today we are sending to Greece great quantities of food. Turkey and Canada are doing likewise. We are sending it in Swedish ships and keeping the young children and mothers of Greece alive, where a short time ago they were on the verge of starvation and death. It has worked well wherever it has been tried. I know of no military reason for not permitting those occupied countries to buy food, or even for us to put up the money to buy food and let them buy it elsewhere, in Argentina or South Africa, or wherever food may be had. But we have a great moral responsibility in America. We cannot simply sit quietly and wash our hands like Pontius Pilate, and let millions of innocent children die in the agony of starvation, with bloated stomachs, or die from some dread disease while we evade the issue and evade the moral responsibility as one of the partners in a war, with food abundant to save these unfortunate and helpless from death or from living with twisted and distorted bodies and minds.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Why not ask former President Hoover to feed the hungry children again? He did a good job at that time.

Mr. FISH. I think he could do just as good a job today as he did before. But one thing I want to make abundantly clear is that if 1 pound of this food goes to the German Army or goes to the German population, then we should stop it immediately. If they did take all of it, nothing would be lost, as it would not be enough to last 24 hours. At least we would have made an honest effort. At least we would have carried out the desire of the American people to help those starving children and to try to save them from death by starvation and disease.

I predict that unless something is done immediately there will be mass starvation, and millions of these helpless children—Jews and Gentiles—will die that terrible death of hunger within the next 6 months. It would be the greatest tragedy of the war, and we would be morally responsible unless we make a sincere and honest effort to persuade the British Government to relax the blockade and permit us to ship the much-needed food to the occupied nations. So I am hoping that not only this Congress will be listened to by No. 10 Downing Street, but I hope that the women of America, who are primarily interested in this kind of humanitarian relief legislation, will write to the Secretary of State and to the President and ask them to use their influence in accordance with the unanimous request of the Congress of the United States, to start feeding these children before it is too late. Even now millions of European children will be crippled for life, and if food is not forthcoming soon, the future destiny of these occupied nations will be ghastly beyond words.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

(By unanimous consent, Mrs. ROGERS of Massachusetts was granted permission to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, to my mind it is unthinkable that this bill should not pass. I believe it will pass unanimously. To stop lend-lease at this stage of the war would be a tragedy.

There is one amendment, however, that I plan to introduce, which I feel is very important. Under the master agreement, article V, the Government of the United States—this is the agreement with Russia:

The Union of Soviet Socialist Republics will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred by this agreement, as shall not have been destroyed, lost, or consumed, as shall be determined by the President to be useful in the defense of the United States of America or the Western Hemisphere, or to be otherwise of use to the United States of America.

Under the terms of the act, the President, for the Government, has the power to bring back supplies to this country, or to dispose of them in the country where there is a concentration of supplies or some supplies, or transfer them to some other country or countries. My amendment would provide that, before disposition of such concentrated supplies shall be made by the President, the Congress must approve it.

It is a vital amendment for the protection of the United States. I remember the time when the United States was shipping supplies to Japan over my protests—scrap iron, cotton, and copper; supplies that were used against us and are still being used against us. Nobody knows what the future will bring forth. Nobody knows whether these countries who are now our allies will be our allies after the war is finished. We hope that they will be with us and that it will be possible for us to be with them, but nobody knows. I want to make sure that before final disposition is made of thousands and thousands of airplanes and thousands and thousands of tanks and other material of war, the Congress shall have some say in that final disposition.

Mr. Speaker, I have recently talked with a great many men, a great many wounded men and veterans who have been fighting in the South Pacific and fighting in the Atlantic. It is the wish of the men with whom I have talked that the Congress should have some decision in the final disposition of the materials of war.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

[Mr. SABATH addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may revise and extend my own remarks so I may elimi-

nate the reference I made to the gentleman from New York.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I yield myself one-half minute.

The SPEAKER. The gentleman from New York is recognized.

Mr. FISH. Mr. Speaker, I just want to call the attention of the House to the fact that the gentlewoman from Connecticut [Mrs. LUCE] wrote a very able letter on the feeding of women and children of occupied democracies which appears in today's issue of the Herald Tribune. She has also incorporated it in the RECORD. I believe it is worth reading by all those who are interested in the details of feeding these children.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. BLOOM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4254) to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4254, with Mr. MAGNUSON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. BLOOM. Mr. Chairman, I do not intend to take up much time in explaining this bill (H. R. 4254) because it is very brief. We have gone over the lend-lease legislation twice before. This is the third time. The Committee on Foreign Affairs has held very lengthy hearings on the extension of this act.

May I say that the legislation now under consideration extends the Lend-Lease Act for 1 year. It is just the same as the previous renewal legislation that we have passed, with one exception. On page 2 of the bill a new section has been added, as follows:

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic or post-war military policy except in accordance with established constitutional procedure."

That section, Mr. Chairman, was offered by the gentleman from New York [Mr. WADSWORTH] and accepted by the Committee on Foreign Affairs. Its object is to perfect the legislation, if it needs perfection, with reference to post-war conditions. Outside of that the legislation remains the same except for the fact it is extended for 1 year from July 1, 1944.



Lend-lease is a major weapon for victory.

On the battle fronts all over the world lend-lease has demonstrated its value.

Lend-lease has put guns and planes and other munitions into the hands of our gallant Russian, British, Chinese, and other allies. This investment in our national security and in the joint security with our allies has produced victories and has saved the lives of many American boys as well as those of our allies. In the great offensives to come, it will prove its worth even more fully.

The forces of each of the United Nations have been equipped principally from its own war industries. But the forces of each have been strengthened by supplies and services received from its allies. This joining of men and materials is enabling the United Nations to strike harder blows against the Axis on every battle front—in the air over Europe, on the plains of Poland and Rumania, in the mountains of Italy, in the islands and on the sea of the South and Southwest Pacific, in the jungles of Burma, and in the air over China.

Through lend-lease we have helped to equip the men of our allies fighting shoulder to shoulder with our men on these battlefields. To each of these battle fronts we have sent under lend-lease thousands of planes, tanks, and guns. And to the arsenals of our allies behind these battle fronts we have sent quantities of war-production supplies to help increase the amount of munitions they turn out and food to nourish the war workers turning them out.

In return our forces stationed abroad receive as reverse lend-lease from our allies all of the supplies and services that can be locally procured. Our forces in the South and Southwest Pacific theaters, for example, receive as reverse lend-lease 90 percent of the food they eat. Even Britain, with an area smaller than New England, supplies without payment by us 20 percent of the food consumed by our forces in the British Isles. And French North and West Africa are producing quantities of food that are turned over without cost to our troops in the Mediterranean theater. Each of our allies, no matter what may be the size of its contribution to us in the form of reverse lend-lease, is putting everything it has into winning the war.

The cost of the lend-lease program up to January 1, 1944, amounted to slightly less than \$20,000,000,000. That is a lot of money. But it is less than we are presently spending in 3 months to win this war. The costs of this war are high in any terms. But the costs to this country in the blood of our men and the tears of their mothers, as well as in dollars, would have been immeasurably greater if we had been forced to fight this war alone or without some of our fighting allies.

The armed forces of the United Nations are poised both in Europe and the Far East for new and greater offensives soon to come. The supply plans for these offensives are based on the solid foundation of each of the United Nations helping each other through lend-lease and

reverse lend-lease. Only if we supply the Soviet Union with more planes, guns, steel, and food can she strike with fullest effect more mighty blows from the east while we strike from other sides. Only with an ever-increasing volume of aid can China become the great land base from which we can hit at the heart of Japan. Only if we continue to help arm the airmen, the soldiers, and the sailors of Britain can they play their full part by our side in the invasions to come.

On two great principles—the efficient pooling of material resources made possible by lend-lease and reverse lend-lease and the free interchange of fighting manpower made possible by unity of command—rest our entire plans for fighting this war to final victory. The flexible, strategic use of fighting men and fighting resources wherever they are most needed and can do most to achieve victory is the key to our war operations.

Any change in these great and proven principles at this stage of the war is unthinkable. Not to extend the Lend-Lease Act would be to call off an important—and successful—part of the war. No one who has the best interests of American security and of our brave fighting men at heart would possibly vision that. This House will, I am sure, overwhelmingly endorse again the wisdom and forethought it showed in enacting and extending lend-lease as one of the outstanding bulwarks of our security.

We are at a critical hour in the history of this great country. We are on the eve of new and greater offensives. When our heroic men go into the battles to come they will be shoulder to shoulder with our brave allies. They will be part of a United Nations fighting team which has been strengthened through lend-lease and reverse lend-lease. We shall reach final victory sooner, and with less loss in the treasure of our manhood, because we have learned to work and fight together with other free and brave peoples.

(Mr. BLOOM asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. EATON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I appreciate the courtesy extended me by the gentleman from New Jersey [Mr. EATON]. Perhaps the members of the committee will indulge me for a moment in a discussion of a certain amendment proposed by the Committee on Foreign Affairs to the so-called Lend-Lease Act, which will be found on page 2 of the bill. It relates to section 2 of subsection (b) of section 3 of the act. It is that subsection which confers upon the President the power to make what are called the final settlements of lend-lease agreements.

In view of the potential importance of those settlements the committee believed it might be well to propose an amendment and urge its adoption which would make it clear beyond all doubt that the President of the United States in making final settlements with one of our allies,

for example, at the termination of hostilities, should not commit the United States in any manner with respect to future economic post-war policies or post-war military policies. It is for that reason that this language has been proposed as a proviso to be added to subsection (b) to which I have already referred.

*Provided, however,* That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic or post-war military policy except in accordance with established constitutional procedure.

From time to time there has been a good deal of discussion among Members of the House and other people with respect to just how far the President of the United States might commit the Government of the United States in the future in the making of the so-called final settlements with one of our allies. Some people have expressed the fear, I may say, that in the making of those settlements, which really have to do with goods and supplies, the President might enter into some sort of an agreement with another government or nation which would have an effect upon the future policy of the United States, in trade relations, for example, facilities for air transportation internationally, a semimilitary alliance, and so forth. One might conjure up a number of fields of future policy which under a strained interpretation of the law as it now stands, and I use that language advisedly, to which the President might commit the country. Hence, your Committee on Foreign Affairs, seeking to clarify that situation, proposed this amendment.

While we are talking about final settlements, perhaps the members of the committee will indulge me further, because a little further discussion as to their nature is necessary in order to more accurately measure the meaning and the significance of the amendment proposed by the Committee on Foreign Affairs. Of course, no one of us can tell when the war will end, and I always hesitate in indulging in too much of visionary thinking as we attempt to solve in advance some of the problems that will confront us when the war is over. The lend-lease program, which I am convinced has become an extraordinarily effective military weapon, has great ramifications. For example, to state it briefly, if you examine the extent of the lend-lease operations in Russia, if you will examine our report and the hearings and the testimony taken in those hearings, you will note that under the lend-lease program we have sent to Russia over 8,000 airplanes. They are all combat planes. They are flown by Russian fliers against the Germans. We have sent to Russia 170,000 trucks, all for use by the Russian army in carting supplies over ever-lengthening lines of communication, as the Russians advance westward driving the Germans out of their own country and approaching the borders of Germany itself.

In addition, according to my best recollection, something like 30,000 other



motor vehicles of one type or another, and used by the Russian Army, have been contributed to Russia under this program.

Let us try to visualize the end of the war, and remember, as we do so, under the Lend-Lease Act the title to all of that property remains in the United States. We have not given it away. We have loaned its use without charge. Whatever there is left of it at the conclusion of the war, whether it be in Russia or Britain or Australia or New Zealand, or wherever, all of it that is left is the property of the United States. Of course, the problem will then arise—and we all hope it will be approached by sensible and practical people—of appraising the value of the property that is left.

And probably we will find at the end of hostilities that a very large number of trucks and other motor vehicles sent to Russia have been literally worn out and would have very little more than a scrap-iron value. Others would be partially worn out. You can all visualize the condition of that motor equipment after serving for months and months in the mud and snows of one campaign after another. Some of it at the end of the war may be quite usable and well worth salvaging for the use of the United States itself. Some one will have to decide, and undoubtedly it will be done by the military people on the ground what the United States will do with its property. Of course, that decision will involve really a study of the salvage value of all this material.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Michigan.

Mr. DONDERO. Is it not a fact that a great deal of that property might be credited against the commitment of this Government under the U. N. R. R. A. program of \$1,360,000,000, and those nations will give us credit for that material and leave it in Europe? It would not pay to bring it back to the United States.

Mr. WADSWORTH. That is possible, of course, although the U. N. R. R. A. program is completely separate and distinct from lend-lease.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Ohio.

Mr. ROWE. That arrangement will be dependent upon those charged with the responsibility of U. N. R. R. A. rather than lend-lease, would it not?

Mr. WADSWORTH. I would say jointly. That is a possibility. We cannot stand here this afternoon and say what we are going to do with 10 jeeps that are found in Liberia half worn out when this war is over. Our military people are the people who are responsible for the delivery of all this equipment to our allies. None of it has been sent to our allies except on the recommendation and the request of our own military high command, centering up to the Joint Chiefs of Staff, after emanating from such distinguished men as General MacArthur, General Eisenhower, and Admiral Nimitz or whatever high com-

mand of the American military is in existence.

Of course, the time will come eventually—and it would be splendid if it came next month—when this salvaging operation will have to be embarked upon. As I visualize it, and I am speaking only my own opinion, it will be done almost entirely by our military people on the ground, serving with our own forces, and with the French and with the Russians and with the British, as the case may be, and who will be in a position to say whether or not that particular truck is worth sending back to the United States, or would it be better to send it to another theater of war, against Japan, for example, if Japan is still in the war, or would it be so far worn out that it would not be worth our trying to use it again, and therefore it might be sold for what it will fetch like an old used automobile, with which we are all so familiar.

That same problem will come along with airplanes. Of course, the wastage in airplanes is terrific. They wear out very fast. All sorts of injuries and damages are inflicted upon planes in addition to losses in battle. When the end comes it is inevitable that in one country or another we will have a lot of planes. Again, it will be a salvage problem that the military people, I think, will be competent to settle.

The law says, of course, that this final settlement shall be made by the President, but I cannot visualize any President of the United States informing himself in detail with respect to thousands and thousands of items scattered over the face of the earth. Of necessity, whoever is President will have to delegate that function to men who know something of the value of the equipment that is left over.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Does not the gentleman think that the salvage of property is farther complicated by the fact that we have to be rather careful about glutting our own markets with some of this war equipment and keeping our industries from turning out new equipment and thus keeping our industries from employing the men coming back?

Mr. WADSWORTH. There are various complications of the sort mentioned by the gentleman, all of which have to be taken into consideration.

Perhaps I am anticipating the discussion that may arise here concerning an amendment which may be offered to the effect that the basic act shall be amended so as to bring back to the Congress of the United States the job of making those final settlements. For the life of me, Mr. Chairman, I cannot see how the Congress can ever do it. It would just be impossible for any committee or combination of committees of the Congress to sit down here in Washington and appraise the value of half worn-out trucks in Egypt or India or Burma, if you please, or Russia.

It might soothe our pride a little bit if we insist that we do it, but I know we

could not do it. We just could not. From a practical standpoint, it is impossible. In my judgment, it would take us years to do it. Under the law it is left to the President, and as I said a moment ago, I do not suspect for one moment that the President will be the man to do it. It will be the man in the field. We have to trust to that man's sound common sense to protect the interests of the United States, remembering always that all of this property belongs to us and does not belong to Great Britain or Russia or the French Committee of Liberation or Australia or New Zealand. It all belongs to us.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The property belongs to us wherever it may be?

Mr. WADSWORTH. Wherever it may be.

Mr. WRIGHT. If it is transferred from one country to another, it still belongs to us?

Mr. WADSWORTH. It always does. We never lose title. We have merely loaned the use of the material.

Mr. ELMER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Missouri.

Mr. ELMER. If it belongs to us, what becomes of the report of the Senators who were over there that the English and the Russians had traded a lot of it off to other countries? How are we going to get it back then?

Mr. WADSWORTH. We found that that is not true.

Mr. ELMER. That is reported by the Senators to be true.

Mr. WADSWORTH. I am glad to say that the Committee on Foreign Affairs has found that that is not true.

Mr. ELMER. It is generally believed.

Mr. WADSWORTH. None of our property has been traded away, none of it.

Mr. ELMER. Where is the proof? Has the gentleman proof of this?

Mr. WADSWORTH. In the testimony in the hearings. That was inquired into last year and it was inquired into again this year.

Mr. ELMER. The gentleman heard the statement of that Russian up here a short time ago that it was being traded on by Russia. Another thing is that we are shipping lend-lease now, are we not, from the western coast of the United States in Russian ships through the Japanese lines, landing on the east coast of Russia? Who gets that material? Where is it going?

Mr. WADSWORTH. As far as I know—and there are other members of the Committee on Foreign Affairs present—no such statement has ever been made to us about that traffic. I am not in a position to answer every rumor that comes up.

Mr. ELMER. Some Members of this House know that Russian ships are carrying goods from the United States through the Japanese lines and landing



them on the east coast of Russia. Does the gentleman believe they are shipping that material 8,000 miles, over to the German front, or are they trading it to the Japs?

Mr. BLOOM. They are not trading anything.

Mr. ELMER. That is what the gentleman says, but the indications are that they are trading it to the Japs.

Mr. WADSWORTH. There is no such indication whatever.

Mr. ELMER. It has been known for over a year here that commerce is going on between the Japs and the Russians just the same as ever.

Mr. WADSWORTH. There is no such indication whatever in the testimony. We have inquired about those things to the limit. I do not suspect for one moment that the Russian Government is stealing our property and handing it to the Japanese.

Mr. ELMER. Are we not making exchanges of goods with Spain, and is not Spain delivering some of that gasoline and other material they get from us to Germany?

Mr. WADSWORTH. Spain and our relations with Spain have no relation whatever to lend-lease; none whatever.

Mr. ELMER. Generally, on trade and traffic, including lend-lease.

Mr. WADSWORTH. There is no lend-lease traffic with Spain.

Mr. ELMER. What does the Secretary of State mean, then, by cracking down on neutrals that are trading with our enemies?

Mr. WADSWORTH. That is an entirely different field of endeavor. That is part of our economic warfare effort to prevent neutrals like Spain from sending vital material to Germany. Lend-lease has nothing to do with that.

Mr. ELMER. It is all in the same category of trading.

Mr. WADSWORTH. I am glad the Secretary of State, if he has done as the gentleman says, has clamped down on Spain.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from New York.

Mr. BLOOM. I call the attention of the gentleman from Missouri to pages 231 and 232 of the hearings. If he will read those facts brought forth in the hearings, he will find all the answers.

Mr. WADSWORTH. As I said at the beginning of my somewhat rambling remarks, the concern your committee had with respect to what is known as the final settlement was confined to that thought that perhaps the President of the United States, whoever he may be, in making those settlements might commit the Government of the United States to a future military policy or a future economic policy. This amendment states in effect that no such commitment shall be made without recourse to our established constitutional procedure.

There are two of those procedures, with which I assume every Member is familiar. If the proposed committal is temporary in character and does not involve a long-term course of action, it is generally reached in the form of what is

known as an Executive agreement, which lasts, we will say, only 2 or 3 years, like U. N. R. R. A., which is to last only 3 years, as I recollect. But that Executive agreement cannot become operative unless the Congress of the United States by action of both Houses legislates on the subject to the extent of authorizing the implementing of the program. So if it is merely an executive agreement committing the United States for a short period to some course of action, the Congress must pass upon it.

If the President of that day proposes the committal of the United States for a long-term performance binding the Government and the people of the United States to a course of action which can only be set down in a contract in treaty form, then, of course, a committal of that kind must come back to the Senate of the United States and be ratified, under the Constitution, by a two-thirds majority. That is the intention of the amendment proposed by the Committee on Foreign Affairs.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. The gentleman says the title to all this lend-lease material we are sending to the various countries remains in the United States and will remain in the United States after the war is over. I am wondering if there has been any provision made to prevent the countries where this lend-lease material is located from charging us storage on it after the war.

Mr. WADSWORTH. I do not know of any specific provision of the Lend-Lease Act which forbids the beneficiary from charging storage. It would go beyond my comprehension how anyone would dare try such a thing. We hold the upper hand in this. If the gentleman will just stop and think, he will realize that we hold the upper hand.

Mr. COLE of Missouri. If title remains in us, and if no provision is made against it, they can legally charge us storage on all that equipment after the war, and thereby consume all or a part of its value.

Mr. WADSWORTH. I will not assert that there is specific provision in the Lend-Lease Act which forbids a thing of that sort, but I honestly believe that the gentleman's fears are not well founded. This material will be outdoor material, nearly all of it.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The new lease-lend that we have before us will provide that no lease-lend is to go to nonparticipating nations, nations who are not actively participating in the war on our side.

Mr. WADSWORTH. We do not propose any change in the existing Lend-Lease Act as to the eligibility of nations to receive any of this aid. They are the people who are fighting alongside of us.

Mr. KNUTSON. Then we can continue to build roads in South America, with lease-lend funds; can we?

Mr. WADSWORTH. We have not done that.

Mr. KNUTSON. Senator Butler says we have done it.

Mr. WADSWORTH. Not under lend-lease.

Mr. KNUTSON. It is done, whatever you call it; it is done with American funds that are squeezed out of the pockets of the American taxpayer. What are we going to do to stop that kind of spending?

Mr. WADSWORTH. You cannot stop it under the Lend-Lease Act because it is not in the act.

Mr. KNUTSON. Then you can write a provision there to stop it from being done under the other acts which Congress has enacted.

Mr. WADSWORTH. It would probably be subject to a point of order. I would like to say something about the South American situation. There has been a lot of misunderstanding about it. We hear, and doubtless a good deal of what we hear is true, that certain agencies of our Government have spent money or loaned money, or made grants of money in South America in extravagant fashion. Those loans or grants have not gone through lend-lease. All we have done through lend-lease in South America has been on the urgent advice of our military authorities. The total of contributions to all the South American countries put together under lend-lease is only \$127,000,000. That is all, and two-thirds of that has been used in Brazil. In Brazil it has been used to build airports near Natal, from which our own planes fly to Ascension Island and on to the West Coast of Africa, from there to Khartoum and to India. It has been used to help the Brazilians equip their own air corps. With their own air force they patrol the South Atlantic against the submarine menace in our behalf and they have already themselves, with planes furnished by us and flyers furnished by themselves, sunk German submarines. That is the nature of lend-lease contributions to the South American countries. There has been no financing of industrial undertakings in South America through lend-lease. If that has been done, it is coming through the Reconstruction Finance Corporation or some other agency of the Government in sums far greater than lend-lease has expended. And lend-lease, as I say, has expended funds solely for military purposes.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. KNUTSON. The gentleman from New York stated that an amendment of that kind would be subject to a point of order. It would be clearly in order under the Holman rule, because it would be a limitation on expenditures.

Mr. WADSWORTH. This is not an appropriation bill.

Mr. KNUTSON. It is an authorization.

Mr. WADSWORTH. Perhaps so, I do not know. But it has nothing to do with the extension of lend-lease.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield for a question?



Mr. WADSWORTH. Yes.

Mr. CALVIN D. JOHNSON. Am I correct in my understanding that some 46 nations have participated or benefited from lend-lease?

Mr. WADSWORTH. I think it is 40 nations.

Mr. CALVIN D. JOHNSON. In line with the question of the gentleman from Minnesota [Mr. KNUTSON] it would seem that if the expenditures under lend-lease were limited to those nations which are actively engaged or participating in the war, a great amount of the funds would be saved and it would seem the war has reached the point where we could limit the expenditure to those nations. In Brazil, I agree with the gentleman from New York, they should be assisted because they have participated actively and used their forces and navy for patrol purposes and have shown themselves disposed to help. But I cannot see the wisdom of extending the operations under lend-lease to other nations not in any way remotely connected with the war.

Mr. WADSWORTH. I believe there are two categories of nations. One category includes those who have declared war against Germany and Japan and the other category consists of those nations who have broken off diplomatic relations and helped to establish what we know as the blockade. I stand subject to correction by members of the committee on that statement. Those latter nations receive next to nothing, it is so very small.

Mr. CALVIN D. JOHNSON. One thing I would object to, I am informed that American ships after hauling lend-lease materials and supplies to England are charged for berthing the ships from which the supplies are taken and we also pay for the sand which is used for ballast in returning the empty ship to this country.

Mr. WADSWORTH. The gentleman has heard something which is not substantiated by facts. Every American ship reaching Great Britain is berthed and serviced and repaired at the expense of Great Britain. That has been made perfectly clear in our testimony.

Mr. CALVIN D. JOHNSON. I am glad to hear that.

Mr. WADSWORTH. That is a part of lend-lease in reverse. Every ship of ours that goes over there which needs any repairs is repaired in a British dock or shipyard at their expense and serviced at their expense.

Mr. SCRIVENER. And then the amount is charged back.

Mr. WADSWORTH. That is called lend-lease in reverse.

Mr. ROWE. The amount is charged back.

Mr. WADSWORTH. Lend-lease in reverse, I might say, Mr. Chairman, is growing very gratifyingly and we have received some very important help from other nations.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mrs. BOLTON. The gentleman will recall in the hearings when we had the State Department before us, we were in-

formed of certain agreements with South America which we were not at liberty to make public. There were agreements with South America which were different from the agreements made with other nations across the water. Does the gentleman from New York recall that?

Mr. WADSWORTH. I do recall the incident; yes.

Mrs. BOLTON. I bring that out in order to keep the record clear.

Mr. WADSWORTH. We were given to understand it is wiser not to make those agreements completely public because under them today we are securing from certain Central and South American countries a certain amount of very, very vital supplies and rare minerals. That is not done under lend-lease. It is done under other agencies of Government. That is part of the financing, I imagine, that has taken place in those countries, but not under lend-lease. Those agreements will not be exposed to German and Japanese view lest they know just what we are getting.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. CALVIN D. JOHNSON. The malaria-control project in Venezuela is not under lend-lease, but is handled through the Office of Inter-American Affairs?

Mr. WADSWORTH. That is correct.

Mr. Chairman, I am glad to be able to state that lend-lease in reverse, so-called, shows a very encouraging trend upward. Our troops in the South Pacific under General MacArthur get 90 percent of their food free of charge from Australia and New Zealand.

Mr. ROWE. When you say "free of charge," it accrues as a credit to the nation with whom we are doing business, and charged back against our account whereby we sent them supplies?

Mr. WADSWORTH. I think it is fair to say that Australia and New Zealand would never ask to be paid for that food any more than we would ask them to pay for ammunition which they are shooting out there because we sent it to them.

Mr. ROWE. In other words, it checks and balances one against the other more or less?

Mr. WADSWORTH. That is right. The biggest lend-lease is to Great Britain and Russia. Great Britain's lend-lease in reverse is growing very rapidly.

Mr. ROWE. I would like to hear the gentleman make a statement as to one other rumor early in the history of lend-lease which filtered through, that in Great Britain lend-lease materials were going to some 30 countries, subordinate and within the domain of Great Britain. Has the gentleman any facts on that?

Mr. WADSWORTH. The truth is that no such thing happened. Under the agreement with Great Britain, and I think the same agreement stands with all the others, Great Britain is forbidden to export any lend-lease article sent to her by us or any similar article of equal value. In other words, if we send her 4 bales of cotton and she gets 4 bales of cotton from Egypt and could get along with 4 bales,

under the agreement she cannot export any of them. So her export trade, so far as these particular items are concerned, is in a firm grip.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. BLOOM. On that point, that applies now and after the war is over also as far as exports are concerned and it applies to all items. They cannot export anything without our consent.

Mr. WADSWORTH. As long as the agreement lasts.

Mr. BLOOM. Yes.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. LUTHER A. JOHNSON. The gentleman who is now addressing the Committee heard the rather extensive hearings which we had upon this bill, and I am glad that some of the questions have been asked of him with reference to these false rumors. I simply want to ask the gentleman from New York is it not true in the hearings the committee had that various similar rumors with reference to the lend-lease came to the attention of the committee and the committee, after investigating them, found out there was no foundation whatever for these criticisms after these fears had been expressed?

Mr. WADSWORTH. That is true. May I remind the Members of the various statements of rumors with respect to goods sent by lend-lease to north Africa. They were all sent under the advice of our military authorities. Some of the articles may not have seemed to be of direct military use or value. But they were so regarded by our military authorities as useful and valuable in establishing a friendly attitude among the French and Arabs. But every penny of it has been paid back. The French Committee on Liberation has paid back in cash for all the stuff we have given them—\$62,000,000.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. CALVIN D. JOHNSON. One of the things I am pleased to know, information has been brought to me that where formerly we were shipping coal either under lend-lease or whatever agency may have been handling it, to the Mediterranean area, at the same time England was exporting coal to the Argentine. However, that has been stopped, and this Nation is now sending some 15,000 tons per month to the Argentine, and coal which was formerly transhipped is now going into the Mediterranean area. That shows the co-operation the gentleman has been referring to and I am happy to know that has been brought about.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. KNUTSON. How about the large quantities of farm machinery that have been allocated for foreign export?

Mr. WADSWORTH. I do not have the figures before me, but the committee examined into that with great care.



Mr. KNUTSON. When we first took it up they disclaimed all knowledge of it. Then a certain member produced photostatic copies showing the invoices, and then they admitted it, quite reluctantly. I am wondering whether this Committee is taking this man's word for it, this man who will not give us the information.

Mr. WADSWORTH. First, let me say to the gentleman from Minnesota that that question occurred in connection with the deliberations of the House on the so-called U. N. R. R. A. bill. It is completely separate from lend-lease, but our Committee on Foreign Affairs did examine into the question of the exportation of farm machinery and we found that in the approximately 3 years of operation of lend-lease, the percentage of our total production of farm machinery which lend-lease has loaned to Australia and New Zealand, for example, to increase their crops, and to Great Britain to increase its crops, amounts to something like 3 percent of our total production. That is all.

Mr. KNUTSON. But our farmers cannot get equipment.

Mr. WADSWORTH. Neither can the British or Australian or New Zealand farmers get equipment.

Mr. KNUTSON. Why neglect our own people? This is the arsenal of democracy we are told. I presume it is the breadbasket too, if we look into it a little further.

Mr. WADSWORTH. Let me say to the gentleman from Minnesota there comes into the question which he propounds the consideration of policy. We have sent thousands and thousands of troops to Australia, who from there range their attack through Guadalcanal, up through the Solomon Islands toward Rabaul and New Guinea and all that vast area, for thousands of miles. Australia is something like 6,000 miles from the Pacific coast of the United States. Everything we send down there for the supply of those troops has to be sent in ships. If we sent sufficient food to feed all those troops it would take a great many more ships. The Australians and New Zealanders say to us, "Under this lend-lease agreement we will be glad to feed your men, but to do so we will have to increase our crops. If you can send us some farm machinery and some seeds, with the seeds we will increase our acreage, with the farm machinery we will increase our harvests, and we can feed all the men you send." A tiny, little dribble of farm machinery, compared with the whole production of the United States, was sent to Australia and New Zealand. Quite a great many cream separators were sent. That does not look like a military weapon, but New Zealand and Australia vastly increased their production of dairy products, and our men are eating them. They need more cream separators to do it.

Mr. KNUTSON. How many men have we in Australia?

Mr. WADSWORTH. I could not tell you.

Mr. KNUTSON. It is not as many as would warrant the shipments that have been made there.

Mr. WADSWORTH. I would advise the gentleman from Minnesota to take that up with the Joint Chiefs of Staff.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. VORYS of Ohio. The gentleman commented upon the shipping of commercial articles to north Africa for sale to the natives, and that those articles were paid for in cash by the French committee. I wish to remind the gentleman that the natives in north Africa are not so much interested in cash as what they can buy with it. They are not much interested—the Arabs—in raising wheat or wheat products unless they get something that they want besides money. Therefore what is happening there is that various sorts of articles which the Arabs wanted were imported, not to give to them but so that the French could sell them to them, so that the Arabs, in order to have some money with which to buy those articles, would raise more wheat and sell it to the French or to the Allies in order to get the money to buy the articles that we imported. Therefore the importation of some articles which look exceedingly unwarlike resulted in increasing the production of what they call commercialized wheat in north Africa, commercialized wheat being wheat that you persuade the natives to get out of their granaries and into commercial channels.

Mr. WADSWORTH. Yes. And north Africa is a great wheat-producing region. Also a very heavy producer of fresh vegetables, and is now coming back into form again in the production of food. We have helped that a great deal and it has not cost us a cent. It has paid us back for everything we have sent there.

Mr. CALVIN D. JOHNSON. Will the gentleman yield for a further question?

Mr. WADSWORTH. I yield.

Mr. CALVIN D. JOHNSON. I am informed that we purchase wheat in Canada and grind it here and then send it to England under lend-lease. Is there any substantiation back of that statement?

Mr. WADSWORTH. I am not sure that I know the answer completely, but I know we have no lend-lease agreement with Canada. Canada has her own arrangement with Great Britain under which she has agreed to furnish directly to Great Britain large amounts of food. We have no lend-lease agreement with Canada at all. The gentleman says wheat has been purchased in Canada and ground into flour in this country?

Mr. VORYS of Ohio. And then sent to England under lend-lease.

Mr. WADSWORTH. I think it might be purchased by the Canadian Government and ground into flour on our side and then sent to England. But I do not know the facts.

Mr. CALVIN D. JOHNSON. On the former question there was considerable confusion relative to the 2 or 3 percent. The machinery which was programed for U. N. R. R. A. was tried to be explained by a statement which emanated from up on Sixteenth Street, I am told, at a press conference, that we had only exported about 2 percent of the farm

machinery which we had manufactured. The statement was made as to how much we had exported, compared with what we were intending to export, and I am gratified to find out that statement, just released, is in connection with U. N. R. R. A. and it has been changed from 136,000 tons to 30,000 tons.

Mr. WADSWORTH. I am not surprised at all at that information.

Mr. VORYS of Ohio. Will the gentleman yield further?

Mr. WADSWORTH. I yield.

Mr. VORYS of Ohio. Perhaps the gentleman saw in the press within the past few weeks that Canada has passed a law which they have labeled "A mutual war aid bill," keeping away from what I consider a misnomer—lend-lease.

Mr. WADSWORTH. Terrible.

Mr. VORYS of Ohio. And in their legislation they provide they will furnish articles under agreements with various nations for mutual war aid, and that unless specifically provided in the agreement, they do not expect to get the article back. They have a realistic bill on this subject.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has again expired.

Mr. BLOOM. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. WHITTEN].

[Mr. WHITTEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. WHITTEN asked and was given permission to revise and extend his own remarks.)

Mr. BLOOM. Mr. Chairman, I yield myself sufficient time to answer a few questions.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. BLOOM. Mr. Chairman, one question to which I wish particularly to refer is to whether Japan and Russia have been exchanging merchandise. I invite the Committee's attention to pages 230, 231, and 232 of the hearings where answers to most of the questions that have been asked here today will be found. I read from page 232 of the hearings:

Perhaps the most sensational rumor is the one that the Russians have taken some of the planes we sent them and have traded them to the Japanese in return for rubber. These planes were then allegedly used against our forces in the Pacific.

The fact with reference to this rumor, as printed in the hearings, is as follows:

Rumors of this type, frequently emanating from Radio Tokio, have been repeatedly investigated by representatives of the State Department and other agencies, and proved to be without foundation. There is not an atom of truth in this particular rumor.

Mr. Chairman, I wish also to call attention to the statement appearing at the bottom of page 7 of the report dealing with the question of the total value of lend-lease material exported to other American republics.

The total value of lend-lease materials exported to other Latin-American republics from March 11, 1941, to December 31, 1943, was \$127,000,000.



This has already been stated by the gentleman from New York [Mr. WADSWORTH].

Commercial exports from the United States to Latin America in the years 1941, 1942, and 1943 totaled \$2,300,000,000, 18 times the lend-lease total.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. ROWE. Do the hearings contain anything in regard to the question I propounded to the gentleman from New York [Mr. WADSWORTH] as to whether or not England received lend-lease materials from this country which she channeled to one of her dominions and was used in commercial trade?

Mr. BLOOM. I have never heard of that. I do not see how that could happen. There are many rumors; as a matter of fact, yesterday's New York Times, on page 1, carried an article on lend-lease rumors. All these lend-lease rumors that are known are answered in the hearings, starting on page 230. If the gentleman has any new ones, I shall be glad to try to answer them.

Mr. ROWE. Is there anything pertaining to that rumor in the hearings?

Mr. BLOOM. I do not recall anything like that.

Mr. ROWE. One other question: If England did not channel lend-lease materials received from the United States to one of her dominions, did she export to that dominion like materials of like value to be used in commercial trade?

Mr. BLOOM. No; she could not do that under lend-lease.

Mr. ROWE. The reason I ask these questions is because I recall seeing a letter signed by Mr. Stettinius, as head of Lend-Lease, stating that such a thing had occurred. I am going to see if that letter is available, and if it is, place it in the RECORD tomorrow.

Mr. BLOOM. If the gentleman finds it, I should like to have a copy of it. If the gentleman inserts it in the RECORD, I think an answer to it should be inserted in the RECORD at the same time by me.

Mr. ROWE. That is the reason I mentioned it; I want to know the truth or falsity of the rumor, and the facts.

Mr. BLOOM. I may say to the gentleman from Ohio that the Foreign Affairs Committee went over every phase of this subject. We tried to get the facts; we want the facts in order to present them to the Congress. If the gentleman will read the hearings and the report, he will find that we have taken up every question with reference to what lend-lease has been doing and what lend-lease has not been doing. We have answered all the questions, and the answers are to be found right in the hearings. We are just as anxious to get facts and give them to the membership as the Members are to receive them.

Mr. ROWE. I think my reactions, if I may continue, are no different than those of the gentleman from New York, that any person charged with responsibility for the welfare of this country would deliberately do things that would militate against its interests and when these things come to my attention it gives

me a sense of alarm, as it would the gentleman, I am sure.

Mr. BLOOM. The gentleman is quite right; there is no doubt about that. If the gentleman will write out these questions or rumors, I shall be very glad to investigate them.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. CALVIN D. JOHNSON. It is rumored that England purchases all the beef that is exported by the Argentine. I am further informed that those purchases are with American lend-lease funds. Is that true? Or has the gentleman any information on it?

Mr. BLOOM. Oh, no, no; that is not correct.

Mr. CALVIN D. JOHNSON. Has the gentleman any information on it? I would like some information concerning it.

Mr. McMURRAY. We do not lend-lease any money.

Mr. BLOOM. If the gentleman will write out his questions tonight and send them to me, I shall be very glad to investigate and give the gentleman a definite answer as to what the facts are with reference to them. We want to get the facts. We do not want to hedge or hide or try to hide. Give me the questions, and I shall be very glad to get the facts and answer the questions.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. KNUTSON. How much has lend-lease cost us to date?

Mr. BLOOM. About \$22,000,000,000. Something like \$24,000,000,000 was appropriated; \$22,000,000,000 has been expended and allocated.

Mr. KNUTSON. That is about one-third the total expenditures of the other United Nations since the war broke out. The war has cost us \$180,000,000,000, but it has cost the other belligerent countries only about \$68,000,000,000.

Mr. BLOOM. The gentleman must remember that although we have given Russia and some of the other countries a lot of material and a lot of aid and assistance, it has cost them a lot in blood and human lives, and they have done a great job. I think the gentleman will admit that.

Mr. KNUTSON. I am not questioning that.

Mr. BLOOM. Then I would not criticize. I would not want to measure life and blood against money, or money against life and blood.

Mr. KNUTSON. But how about the future solvency of America? Does that enter into it at all?

Mr. BLOOM. I will answer that in this way: Do not ever sell America short at any time.

Mr. KNUTSON. Four more years of the New Deal and you could not sell America at all.

Mr. BLOOM. In answer to that I still say do not ever sell America short at any time.

Mr. ELMER. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. ELMER. Does the gentleman recall that the State Department protested to Great Britain against the selling of lend-lease goods to her colonies?

Mr. BLOOM. Do I recall that?

Mr. ELMER. Or can the gentleman find out from the State Department whether that is a fact?

Mr. BLOOM. I want to have all the rumors answered. If the gentleman wants me to find out whether that rumor was true or false, I shall be very glad to.

Mr. ELMER. All we can learn is what we read in the newspapers.

Mr. BLOOM. Oh, no; no.

Mr. ELMER. That is what Will Rogers once said.

Mr. BLOOM. Oh, no. If the gentleman will read the hearings and the reports instead of depending only on the newspapers, he will find what the facts are.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. CALVIN D. JOHNSON. Do I understand the gentleman correctly to say that the expense for lend-lease since 1941 is only what was expended directly under the lend-lease law? While the things sent under lend-lease may tend to aid their military activities, yet it does not include things like armaments and such matters as are handled by the Army and Navy.

Mr. BLOOM. Right, right.

Mr. CALVIN D. JOHNSON. The \$22,000,000,000 covers more or less nonmilitary matters, such as food—

Mr. BLOOM. Oh, no.

Mr. CALVIN D. JOHNSON. It does not include munitions and things of that kind.

Mr. BLOOM. Yes; the \$22,000,000,000 is directly under lend-lease. The other would be entirely different.

Mr. CALVIN D. JOHNSON. So actually the expenditure under the Lend-Lease Act approximates sixty to sixty-five billions of dollars, including things furnished by the Army, Navy, lend-lease.

Mr. BLOOM. No; not that much.

Mr. CALVIN D. JOHNSON. I wish to be correct about it.

Mr. BLOOM. Let me give it to you. I have been giving these amounts from memory. I will read them from the record now. Twenty-four billion dollars has been appropriated to the President, of which about \$22,000,000,000 has been allocated. Then there are thirty-five billions on transfer of authority to the War and Navy Departments. That is what the gentleman refers to.

Mr. CALVIN D. JOHNSON. Yes; that is what I am referring to.

Mr. BLOOM. There is no secret about it. It is public.

Mr. CALVIN D. JOHNSON. I realize that, but I wanted the country to know that the 35 and the 22 would equal the total.

Mr. McMURRAY. All of the war implements that have been transferred are in the \$22,000,000,000.

Mr. CALVIN D. JOHNSON. I realize that, and I am perfectly willing to tax my district and the rest of the country and the individuals therein, to give aid



and assistance to those who are participating in the war.

Mr. BLOOM. So is every Member of the House.

Mr. CALVIN D. JOHNSON. But I do not want it passed out to 30 other nations that are not engaged in the war. That is the only objection I have. We are passing it out to some 40 nations, with only 15 actively engaged in the war. The balance of them are receiving assistance.

Mr. BLOOM. They all need some assistance. They are all helping us. They are all allies of ours.

Mr. CALVIN D. JOHNSON. It has reached the point where five or six fellows can get together over there, declare war on the Axis, and then walk into Washington with a satchel.

Mr. BLOOM. No. Of course, I do not agree with the gentleman.

Mr. ELMER. Did the gentleman have the Senators who made this world trip before his committee to testify, the Senators who made this world trip and who made the charges about lend-lease and England?

Mr. BLOOM. No. Would the gentleman? We did not have them before our committee to testify. What would you do? We obtained the facts from the proper sources.

Mr. ELMER. I asked the gentleman if he had those Senators before his committee.

Mr. BLOOM. No. We went right to the source to get the correct information and that is the information you are getting.

Mr. ELMER. Would not they be the source of the rumors that are sent out?

Mr. BLOOM. No. They brought too many rumors back themselves.

Mr. ELMER. I heard them make the speeches over in the Senate and they made charges. Why did you not have them before the committee?

Mr. BLOOM. Because we had the real authority and received the correct information.

Mr. ELMER. You did not want to find out the facts about it, is that it? You did not want to find out the truth about it?

Mr. BLOOM. I would not say that.

Mr. ELMER. Why did you not have those Senators before your committee?

Mr. BLOOM. We did not think it necessary. We have received the true facts from official governmental sources.

Mr. ROWE. Now, I think the gentleman from New York wants to handle this job in a nice manner. We cannot joke about \$24,000,000,000, and I think anyone who rises to ask a question of the chairman of the committee—he may be wrong as I was in some of these instances—should be answered courteously. We should not joke about the matter. We should accord men the courtesy that the situation demands.

Mr. BLOOM. Have I not done that?

Mr. ROWE. The gentleman asked what would the gentleman do, with reference to questioning a Senator. The chairman of the committee knows that is impossible and I think you should advise the gentleman of that fact.

Mr. BLOOM. We went to the source to get the real information. We did not

go to people who go into a town for a couple of hours and come out with a lot of rumors. We went to the real source, to your representatives, to your agents; that is the only place we can go to get real information.

Mr. ROWE. The only thing I had reference to is this: It is a very serious matter and we should not treat it too lightly. At least, as far as I am concerned, I feel deeply about it.

Mr. BLOOM. The gentleman should read the reports of the hearings. We had 10 days of hearings on this, and that is not treating it lightly.

Mr. ROWE. That statement has been made two or three times by the gentleman who is now yielding to me. The report came to the desk only a little while ago. It is impossible to read that report and the hearings in the time we had to consider this bill. By tomorrow that statement may be appropriate. Today it is not.

Mr. BLOOM. You have had the printed hearings since Saturday.

Mr. ROWE. No; I have not had it since then.

Mr. BLOOM. I am reminded of the fact that we will not read this bill for amendment until Wednesday. So the gentleman will have tomorrow and Wednesday to read the report and the hearings. I may say that the committee filed its report on March 30, so you have had from March 30 to April 17 to read this report. That is not putting it in overnight.

Mr. ROWE. I may be wrong in some of the things I have heard but, if I may suggest to the gentleman, he does not want us to be wrong with our vote.

Mr. BLOOM. Oh, no. I know your vote is going to be all right.

Mr. ROWE. Discourtesy is the easiest way to change it.

Mr. BLOOM. No one could ever accuse me of being discourteous.

Mr. EATON. Mr. Chairman, I am glad that the chairman of the Committee on Foreign Affairs has made the statement he did with reference to the vote on this bill. I am advised by the leadership that it has been agreed to read this bill for amendment on Wednesday and vote on that day, if possible; so that these interesting proceedings will go on today and we will then have more tomorrow, if there is more, then the reading of the bill and the vote will come on Wednesday.

Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, I think the most significant aspect of the question which is before us today, tomorrow, and Wednesday is not whether or not we extend the lend-lease for another year, because I am convinced, as I think most of you are, that that is going to be done. It must be done. We have to finish the winning of this war.

The significant aspect is that we have an amendment which I want to talk about a little while today, brought into lend-lease for the first time since lend-lease first came down to us from a sort of Executive Mount Sinai a few years ago. Away back then in 1941 an effort

was made by us minority members of the House Committee on Foreign Affairs, both in committee and on the floor, to write in an amendment which would bring Congress into the picture a little more definitely than it was in the original language of the bill. That effort failed.

We have renewed the effort every time since when lend-lease has been before us, and every time since the effort has also failed. But the Democratic majority of our Foreign Affairs Committee are reasonable men and like granite their resistance wears away with the constant dripping of water.

This time by unanimous vote we have agreed on language that brings Congress into the picture of lend-lease settlements for the first time. As a committee we have recognized that we went a bit too far in vacating all congressional authority over the outcome of lend-lease, its operations, and its settlement. So this amendment, a sort of Topsy affair which grew up in the committee, everybody contributing a little bit to its eventual development, was unanimously agreed to.

It was the original brain child of the gentleman from West Virginia [Mr. SCHIFFLER], who brought it in and advocated it very eloquently and persuasively for several days in different forms. After considerable discussion, the gentleman from New York added to the proposal, he revised the language, offered it and resubmitted it in modified forms, and again the amendment lay on the table. We discussed it. It was mulled over and modified somewhat, until finally this Schiffler-Wadsworth amendment has come before us in the language in which it now appears for your consideration.

I think this is a tremendously important piece of legislation because it marks the first time since this bill came before us in the original instance that the Congress has written its intentions into lend-lease, that the Congress has asserted itself, that Congress has said there is something in this which we should do, there is a place where we should also be consulted. This amendment defines the lend-lease responsibilities of Congress and limits the lend-lease authorities of the President.

Mr. WRIGHT. Will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I do not wish to interrupt the gentleman's train of thought.

Mr. MUNDT. That is quite all right.

Mr. WRIGHT. I take it the thought behind the amendment was that lend-lease is a war or military weapon and the committee wanted to be sure that lend-lease should not be carried over into post-war planning and post-war relations between the various countries. To safeguard the lend-lease program against that, the amendment was suggested and unanimously adopted.

Mr. MUNDT. I think the gentleman is exactly correct. There is nothing in the intent of the amendment and nothing in its operations which could in any way change the Lend-Lease Act as a war



measure. It deals with post-war activities and implications of lend-lease and the final lend-lease settlements. That is correct.

Mr. Chairman, I want to read this amendment because I have a suggestion which I think perhaps should be included in the amendment, which I brought up in committee, but in this Topsy-like growth in connection with the evolution of the amendment my suggestion failed to be included in the final version.

I think it failed to attach itself in part because I did not have it expressed in very good language at the time, but since then I have been in consultation during the recess with the legislative counsel, and we have worked out what I believe is appropriate language. So if the idea appeals to the Members of the House, I hope it accepts this amendment, because it seems to me it rounds out the thing which we are endeavoring to do by the amendment developed by Mr. SCHIFFLER and Mr. WADSWORTH.

Let me, first of all, read the amendment as it appears before us and then suggest my very minor modification in language, but I think important modification in significance. This is the amendment, and I will read the portion of the act which it amends, which is now section No. 2, so that section 3 (b) of the original act would read as follows:

The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

This is the language of the amendment as adopted by our committee:

*Provided, however,* That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic or post-war military policy except in accordance with established constitutional procedure.

During the discussion of that amendment in committee I suggested that it seemed to me that we had rather conspicuously left out a third aspect which ordinarily appears in discussion on legislation dealing with governmental operations.

We ordinarily talk about economic, military, and political consequences; economic, military, and political operations; economic, political, and military activities—so I suggested that perhaps we should put in this amendment also the words "post-war political policies"—so that other nations would have crystal clear before them that under our concept of government they, too, have to come back to Congress through an established constitutional procedure. The not altogether united, but rather well collectivized and highly persuasive, counsel of my colleagues convinced me however that that was not very satisfactory language and we sort of agreed to drop it for the time being and I would continue my study along that line.

As I say, with the aid of the legislative counsel, I now bring before you this pro-

posed language which I think should be inserted in the amendment as we have adopted it in order to round out the picture and present to the country and to our allies exactly the position which Congress understands to be evolved in this connection. I would add to the amendment where it now reads "that nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic or post-war military policy" these words "or any post-war policy involving international relations," which I am told conforms with the legislative standards and the legislative language and the legislative policies of prior legislation. This would round out the table and would give us, if you please, the third leg of a three-legged support upon which we are building our foreign policy and our post-war lend-lease operations.

I think it is fully as important that we do reserve to Congress the constitutional procedures by amendment in this bill which involve post-war international relations and policies pertaining thereto as it is important that we make these reservations for activities in the field of economics and activities in the field of military operations.

I am hopeful that the members of the committee, after hearing this discussion and the presently proposed language, will agree with me and that we can during the course of this discussion agree on a committee amendment which will incorporate this third aspect in language which is appropriate and in language which reserves to Congress specifically its constitutional prerogatives in the field of foreign policies and international relations just as we are doing it in the fields of economics and military affairs.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. EATON. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I am in thorough accord with the principle the gentleman is seeking to state, but what I am not clear on is this: How can we draw the line between temporary or military executive agreements that probably must be concluded by the President and the broader international political agreements where we are determined that the people's representatives shall pass on them before they shall go into force?

I have in my mind a very clear determination that our foreign policy—military, political, and economic—shall be evolved by the President and Congress together, and not by the President, but I am somewhat at a loss as just how to state that difference, and I wonder if the gentleman feels that his amendment will make that difference clear?

Mr. MUNDT. It will make it as clear in the field of international relations as it is clear in the field of economics and military operations, because in all three

instances it applies only, as was pointed out by the gentleman from Pennsylvania a few minutes ago, to post-war activities and post-war operations and post-war agreements which will continue and project themselves beyond the end of the war.

There will be many intermediate emergency agreements in the field of economics and in the field of military operations and in the field of politics—assuredly in the field of politics—which are temporary things, to meet an emergency situation, a temporary expedient, but this amendment deals with the long-term continuing things.

We have Members in Congress and members in the executive branch who feel that lend-lease should be used as sort of a wedge with which to determine the sovereignty of certain countries and the sovereignty of certain islands and the willingness of certain nations to co-operate in commercial transactions, as well as in permanent international organizations. We have other members of the executive branch and in Congress who feel that lend-lease should not be used in such a manner at all in the post-war field.

Whether it is or whether it is not, it seems to me it certainly is something that should be handled in accordance with established constitutional procedure just as should decisions on post-war military and economic policies.

It might be argued by some, if you were inclined to oppose this, that it is unnecessary. Perhaps it is, but it is never unnecessary in my opinion to spell out in the legislation itself the right which Congress has. It may add nothing significant by its presence but it does obviate this danger that by omitting this important part of the triumvirate of language we eloquently imply something by our silence if we do not put it in. If we include it, then we have made ourselves clear.

I bring to you that hoary old question of Abraham Lincoln when he once asked a former constituent which leg of a three-legged stool is the most important. I do not know, and I do not know which leg of this three-legged amendment is the most important, the military one, the economic one, or the one dealing with international relations. However, if any are important, all are important, and for that reason I urge you Members of the House to work along with me on this and see if we cannot unanimously agree to incorporate this language in the Schiffer-Wadsworth amendment when it comes up on Wednesday.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. EATON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. LEWIS].

(Mr. LEWIS asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. LEWIS. Mr. Chairman, it seems to me that in renewing lend-lease for another year we ought to exercise a little of that Yankee shrewdness and caniness derived from our Scottish ancestry that is supposed to pervade our



private dealings and carry those virtues over into the field of international relations.

There are certain things that we know were charged to us by certain of the Allied Nations in the First World War that rankle still in the minds of the American people who know about them. I refer particularly to the pretty well-authenticated statement that France charged us rental for the trenches we dug in her soil, that she charged us for every fruit tree or forest tree we destroyed in prosecuting that war to save France.

There is a pretty well-defined belief that the American people through lend-lease are being taken for a similar ride. I suggest in perfect friendliness to all of the Allied Nations that here on the floor this afternoon has been revealed one case of that. I refer to the so-called reverse lend-lease. When the gentleman from New York was asked the question about reverse lend-lease, he stated that we are not being charged for dockage and wharfage, or whatever the charges are for unloading ships, but that England pays for those. However, as I understood him—and I shall be glad to be corrected if I am wrong—England then proceeds to charge those charges that she has paid in the first instance back against us. Is that correct?

Mr. WADSWORTH. That is part of the story. We also charge England with what we give to her. It is merely to keep some account of what we give and what we get.

Mr. LEWIS. Does the gentleman mean that we charge England with the lend-lease goods that are given her, that we keep a set of books?

Mr. WADSWORTH. We keep a set of books upon the goods we give or lend. Great Britain keeps a set of books as best she can of what she gives and lends to us, for our information, as we do it for their information. It is not a charge that we shall ever have to pay. It is merely for our information.

Mr. LEWIS. We are not getting any money back from England at the end of this war for the lend-lease goods we have given her, are we?

Mr. WADSWORTH. I assume we will not get any money back for the goods that have been utterly consumed, like food or ammunition. I think it would be absurd for us to try to collect from them for the food they have eaten and the ammunition they have fired off. But if some of the goods, some of the trucks, some of the jeeps, some of the airplanes are of any use to us, they are ours and we can take them back.

Mr. LEWIS. What happens to this charge for dockage and wharfage and those unloading charges at the port of entry in England?

Mr. WADSWORTH. We shall never have to pay it.

Mr. LEWIS. It is charged against us, though, is it not?

Mr. WADSWORTH. Merely as an item of information.

Mr. LEWIS. I am not very clear on that. It is a charge and it is not a charge.

Mr. WADSWORTH. It is not a charge.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I think, unless I am mistaken, that we have not precluded ourselves from charging England for that balance which remains after we deduct what she has furnished us, but, as a practical matter, we probably never will collect it. The supplies we have given to England, the services we have given to England in repairing her ships, are considerably greater than Britain's. So as a practical matter, any of these charges about which the gentleman speaks will never be collectible, because if you want to put it on a debtor and creditor basis, England will wind up owing us a credit on the lend-lease.

Mr. LEWIS. Very well. However that may be, I did not want to deal very much with that end of the problem, although it seems to me that we ought to make sure that we are not placed in the ridiculous position of having to recompense these Allies of ours for such charges for instance as the French made against us, after the last war, when they charged us for the use of their trenches or the trenches that we dug on their soil to save their country. That was done and that is pretty well established. It seems to me that such charges against us are utterly indefensible, and that those who are charged with the responsibility for administering lend-lease are derelict in their duty if they do not see to it that before these goods are furnished there shall be no possibility of any such ridiculous countercharges being made against us.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. EATON. Mr. Chairman, I yield 3 additional minutes to the gentleman from Ohio.

Mr. LEWIS. At the conclusion of this war, I do not know what the United States is going to expect at the peace conference, but I suspect that because of the rapidly developing aviation industry and, in the post-war world, the necessity for round-the-world air lines, one of the things we will want and need very, very urgently indeed, will be aviation bases around this world, over which our airplanes can fly to deliver the produce and the commerce of America. I suggest that before this legislation renewing lend-lease finally becomes law, the responsible officials of this Government dealing with these matters make clear to the nations that are receiving lend-lease from the United States that we shall expect at the conclusion of this war such and such aviation and other bases the world around, and shall get unequivocal promises from them that America shall in the post-war settlement receive those bases.

That is only one of the things we will need and that we shall have a legitimate right to demand, but I submit to you that as shrewd Yankee traders now is the time to begin to trade and not after these goods—these billions—have been

expended, and then come hat in hand to the peace-conference table and present our requests there. If we wait until the peace conference maybe we will get them and maybe we will not. Let us get them now while the getting is good.

Mr. CLEVINGER. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. I yield to the gentleman from Ohio.

Mr. CLEVINGER. I note that about \$6,600,000,000 of goods were sent to Great Britain, according to this report, of which about 32 percent were agricultural products. I think I am betraying no Executive secret when I say that before my committee the inquiry was made as to that part of it which the British public consumed. We asked if that was sold to the British people and were told "Yes." We asked if the money received for it was returned to lend-lease in the form of a revolving fund, and they said "No." Here is a sum somewhat in excess of \$2,000,000,000 that must have been used for exchange to buy food in various parts of the world.

In fact, that question was asked, and it was said that they had to buy a lot in the Argentine. So I think that there is an inquiry about the \$2,000,000,000, along the line of which the gentleman is speaking. It is sold to the British people, the money is received, and it is not returned to lease-lend in the form of a revolving fund.

Mr. LEWIS. I thank the gentleman for his contribution.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. On the very question the gentleman has mentioned, on page 4 of the report that incident is cited. It shows 32 percent of \$6,595,000,000 as agricultural products sold. The gentleman spoke of shrewd trading. This would mean that \$2,000,000,000 in foodstuffs is delivered to England. The English people are receiving the benefit of \$2,000,000,000 in food. That is sold to the British, and they receive in turn \$2,000,000,000, with which in turn they purchase other supplies in the Argentine, about which I raised a question a moment ago. So \$4,000,000,000 in food products is going in there. If we get it back, it will strike a balance. If we do not get it back, the \$2,000,000,000 we are paying to them is going into the coffers of their treasury, purchasing food in other places, and twice the amount of the original allocation is being brought to the benefit of the English. It is a very shrewd business proposition. I admire them for being able to handle it.

Mr. LEWIS. I might say to the gentleman, I admire these allies of ours. I admire every one of them. I hope that the Congress of the United States can admire the executive department of this Government just as much after the conclusion of this further extension of 1 year of lend-lease.

The CHAIRMAN. The time of the gentleman has expired.



Mr. BLOOM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAGNUSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill H. R. 4254, had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an editorial from the Philadelphia Bulletin.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

#### PRESIDENT'S WAR RELIEF CONTROL BOARD

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. DICKSTEIN] is recognized for 20 minutes.

(By unanimous consent, Mr. DICKSTEIN received permission to revise and extend his remarks and to insert certain letters and memoranda.)

Mr. DICKSTEIN. Mr. Speaker, I rise today to call to the attention of the House a matter which I believe is vital to our unity and to our people. This matter deals with relief to war areas by the United States. In my district I have many thousands of Italians, outstanding Americans, who complain to me that they have not been given an opportunity to make contributions to assist the people in Italy, some of whom are their relatives and that proper agencies have not been set up in accordance with their requests and their demands. I know that in every congressional district Americans of Italian descent have made similar protests because they feel that proper and better treatment could be given to the Italians in the occupied areas if there were greater funds at our disposal for that purpose. To get to the point I want to call the attention of the House to the President's War Relief Control Board established by Executive Order 9205, transferring to the Board administrative authority regarding solicitations and collections of funds and contributions for relief purposes.

The Board controls the solicitations, collections, and distributions of funds for charities for foreign and domestic relief and also provides registration or licensing or renewal or cancellation of such registrations and licenses permitting solicitations and collections for the purpose of feeding and caring for persons who need that care in the occupied areas of Europe. Under the regulations of this Board a group of Italian-Americans of outstanding ability led by one Generoso Pope, Judge Freschi, and others sought to establish a national organization for the purpose of collecting money from people who were willing to contribute toward this fund in order that the Italians in occupied Italy, in order that the women and children may get

better care and treatment and get milk, clothing, and other necessities of life. Although the President's war fund has made contributions for that purpose, in my judgment it has not been sufficient. Better treatment and greater friendship could be brought about even amongst the Italian people in occupied Italy, that portion of Italy which is in the control of the Nazis who feel that the people of Italy are not getting what they were promised by the Allied Nations if they surrendered. So, Mr. Speaker, these Americans of Italian descent have organized a group of outstanding American citizens who are ready to give their time and energy to help the Italian people. But the President's War Relief Control Board in Washington, which is controlled by Joseph E. Davies, Chairman, Charles P. Taft, Charles Warren, Melvin D. Hildreth, general counsel, and James Bruno, executive director, have failed to cooperate with a group of Americans and with their committee known as the American Committee for Italian Relief, Inc., with national headquarters at the Hotel Biltmore, in New York City, and have deprived this group of the privilege to help and refused to give them a license to operate and collect money, which would positively relieve the American taxpayers from digging into their own pockets. For 1 whole year the matter has been pending before this President's War Relief Control Board without any action having been taken.

Suddenly a few days ago we heard that a committee had been formed, not of the people who had originally suggested the formation of such a committee. They named Arturo Toscanini, who in my judgment is a fine gentleman, but who is too old to carry on a strenuous fund-raising campaign. He could not go out campaigning. They named Don Ameche. They also named Dr. Angelo Patri and Gen. John Hildring and Mr. Justice Marchisio. It seems to me that the matter should be looked into, if necessary by Congress, in order that we may be in a position to tell this Board that if any citizens, whether they be of Italian, Polish, or Czech descent, are seeking to raise additional funds for the relief of occupied areas—which activity is essential to the war effort—they should be given some cooperation instead of abuse.

As I mentioned before, some time in the fall of 1943, a committee was organized in the city of New York on a national basis for the special purpose of bringing relief to the people in occupied Italian territory.

This committee consisted of Judge Pecora, of the New York Supreme Court; Luigi Antonini, president of the Italian-American Labor Council; Dr. Fama, the chairman of the medical board of the New York City pension system; Judge Allesandroni, of the Philadelphia common pleas court; Judge Freschi, of the New York City general sessions court; and other very prominent men in civic and fraternal life in the United States.

In order to conduct its activities, it was necessary to obtain an appropriate clearance from the War Relief Control Board in the State Department. The person

contacted was Mr. Charles Taft. It was my privilege to speak to Mr. Taft personally about the set-up.

In addition to the persons mentioned, Mr. Generoso Pope, a prominent publisher in the city of New York, was to be treasurer of the organization. Mr. Pope has an exceedingly fine record with reference to his ability to raise relief funds, and since the plan of this committee was to raise some \$20,000,000 for that purpose, it was the consensus of opinion that Mr. Pope would be the logical person to act as treasurer of the committee. In various War Loan drives Mr. Pope had raised millions of dollars and his benefactions and charities likewise run into large sums of money.

When the matter was discussed with Mr. Taft, the only question raised was that the committee which was to be created was not representative enough, and Mr. Taft gave me a list of names of people who should be included in that committee. These names surely would have been included as it was not the desire of that committee to keep out anybody who could be helpful. The committee had one purpose, and one purpose alone, which was to be able to offer effective relief to people in the Italian territory occupied by our forces. I have no doubt that if these men were permitted to serve, we would receive a substantial cooperation not only from the people of Italy who are now under our military occupation, but other Italians in the Axis-controlled portion of Italy as well. After all, the object of this committee was not only to raise funds so as to relieve our Government from the burden of supporting these unfortunate victims of Nazi aggression, but also to create good will for the American effort in that part of Italy which is now occupied by the Nazis.

Men of the type I have described are of exceedingly great importance to our war effort and it is our duty to utilize the influence these men have with the people of Italy for whatever good this influence can do for our war effort. I therefore thought it would be worth while to give Mr. Taft a detailed outline as to the background of the various men who were proposed for this committee for Italian relief.

First. The ability of the persons named to raise funds and, second, the prestige and importance of those persons both among the people of Italian extraction in the United States and many Italians in Italy.

As I stated before, one of the most important members of this committee would be Mr. Pope. Mr. Pope has always been a successful financial sponsor of any drive where funds had to be raised, and our Government saw fit to avail itself of his help to a large extent during the Third War Loan drive, in which Mr. Pope sold close to \$50,000,000 worth of bonds to approximately 650,000 persons. Likewise, during the Fourth War Bond drive, just concluded, Mr. Pope sold \$40,671,140 worth of bonds to some 555,000 persons.

After a long delay of obtaining some action on the part of the President's War Relief Control Board, I finally addressed a letter to Mr. Taft asking him to ad-



vise me what the situation was. Mr. Taft then wrote to me as follows:

APRIL 8, 1944.

DEAR MR. DICKSTEIN: I have your letter of April 3. I note that you expected to hear from me. I am sorry that there was some misunderstanding because I thought that you were going to attempt to get the Italian groups to come together voluntarily.

I enclose a copy of the announcement of our action. Mr. Jonathan Daniels at the moment is attempting to work out a solution of the arguments among the Italian groups, with the resulting addition of various persons to this temporary board of trustees.

I note your reference to money raising. I tried to emphasize to you at the time that you called on me that our board will not permit any national drives other than the National War Fund and the United Jewish Appeal. The Red Cross comes in March and the bond drives, three or four a year, so that our instructions from the President to reduce the burden of such appeals make it absolutely impossible for us to permit the Italian appeal. Furthermore, there is no necessity for it, because the National War Fund is prepared to allot from its contingent fund whatever may be necessary.

A further consideration is that the raising of any large amount of money to be spent in Italy is not only not a help, but it is a positive danger. The inflation situation is extremely serious, and the people in need can only be assisted by additional shipments and by competent personnel. Plans are well under way for providing for this.

Sincerely yours,

CHARLES P. TAFT,  
Acting Chairman.

This letter, to say the least, is amusing. In the first place, no mention is made of the previous stand taken by Mr. Taft, when he wanted to include other names in the proposed set-up. Now it is no longer a question of additional names, but the responsibility of according relief to the people in American-occupied territory in Italy. I do not know how much money there is in the national war fund for this purpose, but I doubt very much that a fund of this type could have reached such tremendous proportions that no other collections for relief purposes should be necessary. I have some unofficial information to the effect that the national war fund has people on its pay roll, who draw tremendously high salaries. The committee which was going to be organized by Judge Pecora and others would be serving without compensation, and every cent collected by them would be to the people concerned, without any deductions for expenses or any other purpose. The best figures I have at the present time on the financial situation of the Italian-American division are about \$150,000,000 from the national war fund. Of this \$150,000,000, a full third, namely \$50,000,000, was contributed by one labor union. I cannot believe that this would be an adequate sum to take care of all the cases which call for relief in Italian territory, occupied by our forces.

Reports reaching this country from Italy tell of the horrible conditions that exist in the liberated area of that country. Among many cases cited, the following is a typical one of a family consisting of a father, mother, and eight children, the youngest 2 months old. This family is living in a cellar floor, 3 inches under water and containing

the usual dirt and filth which is brought on by the conditions caused by war. This family is crowded into three small rooms. The father is unemployed. The youngest baby is terribly undernourished due to lack of milk which is impossible to obtain. It is pathos like this that requires immediate relief to alleviate the suffering of the people in Italy.

There is no question that the creation of this committee would have been a tremendous help to the morale of Americans of Italian descent and would bring about close understanding and good will on the part of the Italians. It would be just one of those things which would cement our friendship with our erstwhile enemies and make loyal and devoted followers of the United Nations of many Italians who are otherwise lukewarm to our cause. We let this opportunity slip by, largely because of Mr. Taft's lack of cooperation, and we lost valuable help and again missed the bus in our dealings with Italy.

#### EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. McCormack] may extend his own remarks in the Record by inserting an editorial appearing in the Washington Evening Star.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BRADLEY of Pennsylvania, for 2 days, on account of illness.

To Mr. SASSCER, from April 17 through Friday, April 21, on account of official business, attending as a member of the Board of Visitors of the United States Naval Academy at Annapolis.

#### ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2618. An act to regulate the placing of children in family homes, and for other purposes;

H. R. 2648. An act for the relief of Avid Evers;

H. R. 4133. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1945, and for other purposes.

#### ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 4 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 18, 1944, at 12 o'clock noon.

#### COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(Tuesday, April 18, 1944)

The Committee on World War Veterans' Legislation will meet in executive

session on Tuesday, April 18, 1944, at 10:30 a. m., for the consideration of S. 1767.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1433. A letter from the Director, Office of Defense Transportation, transmitting quarterly estimate of personnel requirements for the quarter ending June 30, 1944; to the Committee on the Civil Service.

1434. A letter from the Chairman, National Mediation Board, transmitting quarterly estimate of personnel requirements for the National Mediation Board, including the National Railroad Adjustment Board and the Railway Labor Panel, for the period ending June 30, 1944; to the Committee on the Civil Service.

1435. A letter from the Chairman, Interstate Commerce Commission, transmitting its quarterly estimate of personnel requirements for the fourth quarter of the fiscal year, beginning April 1, 1944; to the Committee on the Civil Service.

1436. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. House Resolution 500. Resolution providing for the payment of 6 months' salary compensation and \$250 funeral expenses to Mrs. Mary Glusing Elliott, widow of William P. Elliott, late an employee of the House; without amendment (Rept. No. 1353). Referred to the House Calendar.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KING:

H. R. 4608. A bill to create an independent Civil Aeronautics Authority and an independent Air Safety Board, to promote the development and safety and to provide for the regulation of civil aeronautics, and to assure to the United States world leadership in aviation; to the Committee on Interstate and Foreign Commerce.

By Mr. NORMAN:

H. R. 4609. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on the Judiciary.

H. R. 4610. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on the Judiciary.

By Mr. O'CONNOR:

H. R. 4611. A bill to provide for the payment of attorneys' fees from Osage tribal funds; to the Committee on Indian Affairs.

By Mr. RANKIN:

H. R. 4612. A bill to amend the act of October 17, 1942, authorizing the Secretary of War to approve a standard design for a service flag and a service lapel button, and for other purposes; to the Committee on Military Affairs.

H. R. 4613. A bill to amend the National Service Life Insurance Act, 1940, as amended; to the Committee on World War Veterans' Legislation.







OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

78th-2nd, No. 67

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued April 19, 1944, for actions of Tuesday, April 18, 1944)

(For staff of the Department only)

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HOUSE

1. LEND-LEASE. Continued debate on H. R. 4254, to extend the Lend-Lease Act for one year (pp. 3596-618). Rep. McCormack, Mass., stated that the rumor of French wheat purchases is false (p. 3600). Rep. L. A. Johnson, Tex., commended food shipments to Britain (p. 3602). Rep. Bloom, N. Y., inserted a statement describing the method of lend-lease food distribution in England (p. 3603).
2. COMMITTEE ASSIGNMENT. Rep. Stigler, Okla., was elected to the Flood Control Committee (p. 3621).
3. ARCHIVES. Received the Archivist's annual report for 1943. To Library Committee. (p. 3623.)

SENATE

4. DAIRY INDUSTRY. Sen. Wiley, Wis., criticized administration of the dairy program by OPA and WFA (pp. 3582-6).
5. ADJOURNED until Fri., Apr. 21 (p. 3587).

BILLS INTRODUCED

6. ROADS; TRANSPORTATION. By Rep. Wene, N. J., H. R. 4628, to supplement the Federal Aid Road Act of 1916, provide for post-war road construction, etc. To Roads Committee. (p. 3624.)
7. TRAVEL; RESEARCH. By Rep. King, Calif. (Apr. 17), H. R. 4608, the civil-aeronautics bill of 1944, which authorizes official travel by Government personnel without regard to comparative costs of transportation by aircraft and

other modes, and provides for aircraft research to be performed by existing agencies in cooperation with the Civil Aeronautics Authority.

COMMITTEE HEARINGS Released by G. P. O.

8. POST-WAR PLANNING. House Public Buildings and Grounds Committee.
9. LEND-LEASE extension, H. R. 4254. House Foreign Affairs Committee.
10. PUBLIC LANDS, investigation of administration and use of, pursuant to S. Res. 39, pt. 12. Senate Public Lands and Surveys Committee.
11. PUERTO RICO, investigation of political, economic, and social conditions in, pursuant to H. Res. 159. House Insular Affairs Committee.

ITEMS IN APPENDIX

12. FOOD PRODUCTION. Sen. Capper, Kans., inserted Maj. Chefik Haddad's statement concerning Iraq's contribution to the war effort including efforts in the field of food production (pp. A1975-6).
13. TRANSPORTATION; ELECTRIFICATION. Sen. Aiken, Vt., inserted a St. Albans Messenger editorial favoring the adoption of the St. Lawrence seaway-power project (p. A1978).  
Rep. Kilburn, N.Y., inserted resolutions adopted by the Northern Federation C of C, the St. Lawrence Co. Board of Supervisors, and the West Parishville Grange 542 favoring the passage of the St. Lawrence seaway and power project bill (pp. A1997-8).  
Extension of remarks of Rep. Pittenger, Minn., including Secretary Hull's report, favoring S. 1485, the St. Lawrence seaway-power project (p. A2001).
14. A.A.A. PAYMENTS. Sen. Maybank, S.C., inserted AAA's letter and tables showing the estimated gross payments, by States and commodities, under the 1942 agricultural conservation program (pp. A1978-9).
15. POST-WAR ROADS. Rep. Robinson, Utah, inserted a radio program favoring legislation authorizing Federal funds to be used for post-war highway projects (pp. A1986-8).
16. RECLAMATION. Extension of remarks of Rep. Mansfield, Mont., including a Flathead Monitor editorial favoring construction of the Hungry Horse Dam (p. A1989).
17. TENNESSEE VALLEY AUTHORITY. Speech in the House by Rep. Flannagan, Va., stating that the McKellar amendments to the independent offices bill which "would... wreck the T.V.A." (pp. A1989-90).
18. FOREIGN POLICY; FARM LABOR. Rep. Dickstein, N.Y., inserted his speech favoring a program for allowing refugees to settle on farms in the U.S. to help relieve the shortage of agricultural workers (pp. A1990-1).
19. CONGRESSIONAL INVESTIGATIONS. Speech in the House by Rep. Cochran, Mo., criticizing "duplication of effort" by House and Senate investigating committees, including a list of Congressional committees active at the present time, together with the amount of money appropriated for each for expenses (pp. A1993-5).



## MRS. FLOSSIE LEESER

The Clerk called the next bill, H. R. 2601, for the relief of Mrs. Flossie Leeser. There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Flossie Leeser, of Tulsa, Okla., the sum of \$5,000, in full settlement of all claims against the United States for personal injuries, hospital, and medical expenses, sustained as a result of being run into and knocked down by a United States soldier at Miami Beach, Fla., on January 24, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## MRS. WINNIE O'DELL SINGLETON AND JIMMIE DALE SINGLETON

The Clerk called the next bill, H. R. 2916, for the relief of Mrs. Winnie O'Dell Singleton and Jimmie Dale Singleton.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Winnie O'Dell Singleton, a sum of \$5,000; to Mrs. Winnie O'Dell Singleton as duly and legally appointed and qualified administratrix of the estate of Gaylord W. Singleton, deceased, the sum of \$685; to Jimmie Dale Singleton, a minor, the sum of \$5,000, in full settlement of all claims arising from the death of Gaylord W. Singleton, husband of Mrs. Winnie O'Dell Singleton and father of Jimmie Dale Singleton, the said Gaylord W. Singleton having been killed in an airplane accident on August 26, 1942, at the Lubbock Army Flying School, Lubbock, Tex., the said Gaylord W. Singleton being post tailor for said Lubbock Army Flying School and his said death occurring as the result of the crash of two Army planes which collided in midair and one of which fell into the tailor shop operated by deceased, crushing him to death.

Payment of the \$5,000 for Jimmie Dale Singleton, a minor, shall be made to Mrs. Winnie O'Dell Singleton as the duly authorized and qualified legal guardian of said minor. The \$5,000 provided for her in her own individual right shall be paid directly to her. The \$685 being compensation for the loss of four sewing machines, threads, braids, and other materials, storage cases, mirrors, and other tailor-shop equipment belonging to the said Gaylord W. Singleton, shall be paid to Mrs. Winnie O'Dell Singleton as duly and legally appointed and qualified administratrix of the estate of the said Gaylord W. Singleton: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid, delivered to, or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with this claim, and it shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection

with said claim, any contract to the contrary notwithstanding. Any person or persons violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, strike out all after the word "to", down to and including the word "Singleton" on page 2, line 20, and insert "Mrs. Winnie Singleton, as administratrix of the estate of Gaylord W. Singleton, deceased, the sum of \$5,035, in full settlement of all claims against the United States arising from the death of said Gaylord W. Singleton, who was killed on August 26, 1942, as the result of the crash of an Army airplane at the Lubbock Army Flying School, Lubbock, Tex."

Amend the title.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Mrs. Winnie Singleton, as administratrix of the estate of Gaylord W. Singleton, deceased."

## ROSS ENGINEERING CO.

The Clerk called the next bill, H. R. 2965, for the relief of Ross Engineering Co.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Ross Engineering Co., of Washington, D. C., the sum of \$5,964.22. Such sum represents the amount of occupation taxes, interest, and penalties paid by Ross Engineering Co., herein called the contractor, to the State of West Virginia, in connection with the contractor's contract with the Federal Works Agency, Public Buildings Administration, for the construction of a post office and courthouse at Fairmont, W. Va. The contract was entered into on July 26, 1940, and was to be performed within 360 days thereafter upon a Federal area over which the United States exercised exclusive jurisdiction by virtue of a grant from the Legislature of West Virginia, which reserved to the State only the right of the State to serve process thereon. At the time such contract was entered into the State of West Virginia had no authority to levy or collect from the contractor any State taxes with respect thereto, and in estimating the cost of the work the contractor excluded all State taxes. After such contract had been entered into and partly performed by the contractor the Congress enacted an act (Public, No. 819, 76th Cong.), approved October 9, 1940, and effective January 1, 1941, which relaxed the exclusive jurisdiction exercised by the United States over various Federal areas so as to permit the several States to levy and collect from contractors under Government contracts, and others, sales, use, and income taxes not theretofore collectible by the several States because of the exclusive jurisdiction exercised by the United States over the Federal area. Acting in pursuance of this act of Congress, the State of West Virginia was enabled to levy and collect from the contractor the sum above referred to as an occupation tax of 2 percent upon the gross income from the contract received after January 1, 1941.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## JOHN P. HAYES, POSTMASTER, ALBANY, N. Y.

The Clerk called the next bill, H. R. 3388, for the relief of John P. Hayes, postmaster at Albany, N. Y.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That John P. Hayes, postmaster at Albany, N. Y., is relieved of all liability to refund to the United States the sum of \$5,685.53. Such sum represents a shortage in the account of the said John P. Hayes caused by thefts of post-office fund by a former clerk who has been convicted and sentenced to imprisonment for such thefts. The Comptroller General is authorized and directed to credit the account of the said John P. Hayes in the sum of \$5,685.53. The surety on the bond of the said John P. Hayes is released from any liability on account of such shortage.

With the following committee amendments:

Page 1, after the enacting clause, strike out the remainder of the bill. Insert in lieu thereof: "That John P. Hayes, postmaster at Albany, N. Y., is relieved of all liability to refund to the United States the sum of \$5,685.53; that the estate of Edward P. McCormack, former postmaster at Albany, N. Y., is relieved of all liability to refund to the United States the sum of \$5,189.87. Such sums represent a shortage in the accounts of said postmasters, caused by theft of post-office funds by a former clerk who has been convicted and sentenced to imprisonment for such thefts. The Comptroller General is authorized and directed to credit the account of John P. Hayes in the sum of \$5,685.53 and to credit the account of the estate of John P. McCormack in the sum of \$5,189.87. The surety on the bond of said postmasters is released from any liability on account of such shortage."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of John P. Hayes, postmaster, and the estate of John P. McCormack, former postmaster at Albany, N. Y."

## BILLIE STOOKSBERRY AND LON L. STOOKSBERRY

The Clerk called the next bill, H. R. 3535, for the relief of Billie Stooksberry and Lon L. Stooksberry.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000, to Billie Stooksberry, a minor, 9 years of age, in full settlement of all his claims against the United States for personal injuries inflicted on the said Billie Stooksberry, on July 15, 1943, resulting in the breaking of one of his legs, fracturing his skull, and otherwise wounding, bruising, and injuring him throughout his entire body and limbs, which said injuries are permanent; said Billie Stooksberry being thus injured while he was walking on and along the edge of Highway No. 61, about one-half mile north of Clinch River near Moores Bridge in Anderson County, Tenn., by being struck by an automobile which was the property of the United States and one of its agencies, Clinton Engineer Works, bearing license No. 1A-188, at the time being used by employees and



officials of the United States and said Clinton Engineer Works, within the scope of their employment on official business, and which automobile was at the time driven and operated by Benny M. Buckner, an employee of the United States and of said Clinton Engineer Works and which at and prior to the time it struck said Billie Stooksberry, was being driven on and along said Public Highway No. 61, at a high dangerous, wantonly negligent, and unlawful rate of speed, and in a wantonly negligent manner; and the sum of \$5,000 to Lon L. Stooksberry, the father of said minor, Billie Stooksberry, to reimburse him for moneys spent by him for doctor bills, hospital bills, medicine, and otherwise spent by him in the effort on his part to have his said minor son treated for and, insofar as possible, cured of his aforesaid injuries, and for the loss of services of said minor son: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, after the words, "sum of", strike out the remainder of the bill down to the colon on page 2, line 23, and insert in lieu thereof "\$3,500 to the legal guardian of Billie Stooksberry, a minor; and to pay the sum of \$974.23 to Lon L. Stooksberry, of Clinton, Tenn., in full settlement of all claims against the United States for personal injuries, hospital and medical expenses sustained as the result of Billie Stooksberry being struck by a United States Army vehicle on July 15, 1943, near Moores Bridge in Anderson County, Tenn."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of the legal guardian of Billie Stooksberry, a minor, and Lon L. Stooksberry."

#### WESIX ELECTRIC HEATER CO.

The Clerk called the next bill, H. R. 3739, for the relief of the Wesix Electric Heater Co.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Wesix Electric Heater Co., San Francisco, Calif., the sum of \$1,507.24. Such sum represents the amount deducted during October and November 1940 from the contract price of certain heaters furnished by the said Wesix Electric Heater Co. to the Panama Canal. Such deduction was made because of delay in the performance of the contract, such delay being alleged by the said Wesix Electric Heater Co. to have occurred because of (1) the fact that it was impossible for the company to comply with certain incorrect specifications of the contract until they were modified, and (2) indecisive action on the part of the Panama Canal after it was notified of this fact.

With the following committee amendments:

Page 1, line 6, strike out the figures "\$1,507.24" and insert in lieu thereof the figures "\$1,297.80."

At the end of bill strike out the period and insert in lieu thereof "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### E. BIRD GILES AND SHERMAN BECK

The Clerk called the next bill, H. R. 3859, for the relief of E. Bird Giles and Sherman Beck.

There being no objection the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sums of \$180 to E. Bird Giles, of Belle Fourche, S. Dak., and \$483 to Sherman Beck, of Hot Springs, S. Dak., in full settlement of their claims against the United States for services rendered the Department of Agriculture as farm-debt adjustment committeemen in South Dakota, from August 1936 through July 1937. Such sum, in each case, represents the difference between the salary stipulated by the farm-debt adjustment supervisor and the salary actually received on account of said services as farm-debt adjustment committeemen.

With the following committee amendments:

Line 6, strike out the figures "\$483", insert in lieu thereof the figures "\$251.50."

At the end of bill strike out the period and insert in lieu thereof "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. ENGEL of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter written to Mr. Charles E. Wilson, of the War Production Board, and his reply thereto.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a program delivered over the Mutual network on Friday, March 17, 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WEISS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Mr. William T. Kerr.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MERRITT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

#### EXTENSION OF LEND-LEASE

Mr. BLOOM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4254) to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4254) extending the provisions of the Lend-Lease Act for 1 year, with Mr. MAGNUSON in the chair.

The Clerk read the title of the bill.

Mr. BLOOM. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, the lend-lease program is now entering the home stretch of its run. For 3 years it has been a mighty dynamic force in the war against the Axis. It has proven to be an invaluable military and psychological instrument in the welding of United Nations power into common effort and common purpose. On the basis of the President's periodic reports and the testimony before our committee, I feel that Congress should and will extend the program for another year.

Many were honestly skeptical of the lend-lease program when the legislation was first before Congress. At that time we were not at war, but, with a great part of the world already on fire, realiza-



tion came that we must get our fire-fighting machinery in order.

When lend-lease first became law it carried two main objectives. First, to help Britain, Russia, and China to hold the line while we armed. Second, to underwrite the great expense industry in this country would have to incur in changing over from peacetime to war production. What American industry has done in changing over to war production is one of the wonders of history. Industry could not have taken that financial risk without assurance that this Government would underwrite the expense of the change through lend-lease purchases. Thus, through this program the United States not only provided an arsenal for democracies already at war, but also started rolling the industrial wheels of preparedness at home.

If there was any legitimate argument why the lend-lease program should not have been inaugurated before we entered the war there can be none that it should not be continued now, since we are in this conflict to the hilt. We are not going to discontinue now what has proved to be one of the most effective instruments of our cause.

From the time the original Lend-Lease Act was passed on March 11, 1941, to the end of 1943 the United States under this act conveyed goods and services valued at about \$20,000,000,000. More than two-thirds of this aid was rendered during 1943. This \$20,000,000,000 has covered a little over 14 percent of the total cost of the war to date, and to my mind it is doubtful whether any other 14 percent of the total cost has done more to finally steer the United Nations on the road to victory. If you will read the testimony before our committee, you cannot but be convinced of the vital, if not deciding, part that lend-lease has played in this war. It is easy to conclude that if it had not been for the tanks, planes, motor vehicles, machine parts, and gasoline sent around the world to Montgomery's army in Egypt, Rommel's army might have not been forced to retreat, and Africa might not now be cleared of the enemy.

If it had not been for lend-lease supplies flown thousands of miles over the highest mountains in the world to China, that heroic nation may well have considered herself abandoned by her allies.

If it had not been for the thousands of trucks, vehicles, tanks, and planes and the thousands of tons of supplies sent to Russia, the Germans might not be on the run in Europe today.

If it had not been for lend-lease and the planes, high-octane gasoline, plane parts, and other equipment, the R. A. F. would not have been able to build itself into so gigantic a force and operate with such destructive effects upon Germany.

These are some of the things that lend-lease has done.

From the very first, lend-lease has been a give and take proposition. Through it we have received certain benefits from our allies. On account of circumstances and ability to deliver, we have only taken about one-tenth of what

we have given and most of this has come from the British Commonwealth.

When lend-lease was first enacted into law Mr. Churchill called it the most unsordid act in all recorded history. That statement was true then and it is true now. It was the fruition of our good-neighbor policy and of our avowed intention to hold out the helping hand to those fighting despotism anywhere.

We want nothing out of this war but assurance of a peaceful world. That, too, is an unsordid desire. We have a right to expect that our allies in this war take lend-lease in the spirit in which it is given and by their actions, now and hereafter, show that they appreciate that spirit.

We are now on the road to victory, and victory will surely come if the spirit of lend-lease dwells in the midst of the United Nations and holds them together until the bitter end. Germany and Japan and their satellites have no possible chance of achieving anything like victory, or even a stalemate, out of this war unless misunderstanding, distrust, and selfishness rear their heads among the United Nations before common victory is reached.

The Atlantic Charter, the Washington Conference of United Nations, the Moscow Conference, the Tehran Conference all voice unity of purpose now and after peace comes. A policy of no separate peace has been guaranteed by these conferences. The "four freedoms" have been acknowledged. The right of peoples to the government of their choice has been guaranteed. The right of small nations to sit on a basis of equality with the great in forming the post-war world has been admitted. The principle of our international body to preserve and enforce world peace has been approved.

Mr. Hull's 17 points also embody these principles clearly and admirably. Under the leadership of President Roosevelt and Mr. Hull these pledges have become the foreign policy of the United States. They have not deviated from the broad lines of this policy. Though beset with the demands of minorities here, there, and everywhere that a more specific and detailed foreign policy be enunciated, they have never wavered in their faith in the broad principles of our policy. As a needle to the pole, they have clung to this general policy, realizing that our first and major objective is to win this war and that until the war is won foreign and military policy must be in some respects one and the same, and that the assertion of American post-war rights at this time may impair the war effort and give comfort not only to the enemy but also to some in this country who seek political advantage this summer by demanding now a more specific and detailed foreign policy.

The President and the Secretary of State have claimed nothing for the people of the United States out of this war but a decent world to live in. Doubtless they realize that our post-war needs will require additional outposts of defense, particularly in the Pacific, but they also realize that, in the interest of har-

mony in our military effort and success in our common cause, any claim that we may have to present to insure the defense of the United States should be agreed upon now by all concerned, or wait until victory is won. Those in charge of our foreign relations have made no policy announcement without consultation with others of our allies.

It is to be regretted that all of our allies have not followed the same unselfish course which explicitly or by implication they agreed to in their joint meetings with us. Already zones of influence are being declared and national claims are being advanced without consultation with us. Russia has announced that she will handle the Polish question in her own way, thus creating in some quarters distrust of her purposes.

Recently the unkindest and most disturbing cut of all came from the Commonwealths of Australia and New Zealand. These countries, saved from destruction by American arms, the recipients of lend-lease materials by the millions of tons and articles, these people whom we admire and love and respect because they would rather die than lose their liberty, this sturdy race which has proven its valor on the battlefields of the world, the Government of these people, though it knows that the United States must be the principal grantor of peace in the Pacific hereafter, and that for our own defense and security we must have additional air and naval bases in the Pacific to see that militarism in Japan does not again rear its ugly head, knowing that they are not powerful enough alone to preserve peace in that sphere—knowing all this, the Governments of Australia and New Zealand on January 21 entered into a unilateral pact which in effect served notice on the world that these two members of the British Empire must have a predominant say-so in any disposition or administration of the islands of the Pacific, including the Marshalls, Marianas, Carolines, Pelews, and other islands, Japanese possession of which doomed the Philippines, Guam, and Wake.

The pact asserts that the two nations will unitedly oppose any change of sovereignty in any islands of the Pacific without their consent. It asserts sole regional control of all Pacific islands south of the Equator. It hands us a crumb by agreeing to the creation of a South Seas regional advisory commission with England, France, and the United States as members. So far as we are concerned, membership of the United States in this body would be an empty honor. New Zealand would have one vote, Australia one—and they have agreed to vote together on any Pacific Ocean issue—England one, France one, and the United States one. We would be out-voted in the beginning and our say-so would amount to nothing. The pact assumes that the United States would acknowledge that the Anzacs had title to the islands in the zone mentioned south of the Equator when as a matter of fact we could in self-respect admit no such thing.



The general objective of this Australian-New Zealand agreement seems to be to secure post-war civil aviation and shipping advantages in the Pacific. If this be so, then the step is in line with the oldest principles of the British Empire which call for control of the channels of trade and commerce.

This is no time to argue about trading posts, but since the point has been forced upon us we need not ignore the fact that prosperity for the United States after this war will be dependent to an important degree upon the possession of shipping and aviation outposts as well as military outposts.

The agreement in no way recognizes nor appreciates the present dependence of its signatories on the American Army, Navy, and Air Force, and that our boys are dying by the thousands to defend that area now.

So far as I have been able to learn the United States received no notice that the pact was under consideration, nor was the United States invited to participate.

I have been unable to find out whether Great Britain proper was notified of or invited to the conference. If so, she was a silent partner to the agreement. If not, then the action of New Zealand and Australia should be and probably is very embarrassing to their mother country.

In voting for the continuation of lend-lease, I feel that Great Britain, New Zealand, Australia, China, and Russia should know and acknowledge that there are certain additional bases in the Pacific area essential to the defense of the United States and that they should be permanently occupied by the United States to prevent future aggression. Without other island bases to support them Guam and the Philippines have been and will continue to be indefensible. Events have shown that our allies are dependent on the United States to protect the Pacific. If we are to protect that area during this war, we must have bases. If we are to police that area to preserve the peace after this war, we must have police stations from which to operate. The Allied commissions meeting in London should now be discussing this problem and finding a solution to it. The United States must have advance agreements in this connection.

To win this war we must have unity. It may not be wise at this time for the United States to assert its territorial needs in the Pacific. Certainly we should not do so during the progress of this war unless we have come to complete agreement with our allies. The assertion of separate zones of influence such as has been announced jointly by Australia and New Zealand without consultation with other friendly powers is a menace to the successful prosecution of this war, can only sow distrust and discord among the United Nations, and will defeat the purpose of those who visualize a great international body to preserve and maintain the peace after the war is over. If we cannot work cooperatively during this war when we need each other, we can never do so afterward when immediate danger is past.

The unselfish ideal of the lend-lease program—the give and take spirit of this program—should and must be observed during this conflict and the period following victory; else, another generation will see its sons die on the battlefields of the world because of lack of an effective, unselfish world cooperative organization to preserve and maintain the peace.

Mr. EATON. Mr. Chairman, I yield 10 minutes to the very distinguished gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, I want to report to the House some aspects of lend-lease I observed while on a recent trip through the European theater of operations, during which I spent 2 weeks in England and a week in north Africa.

Military mutual war aid is operating very satisfactorily. Everyone now takes it as a matter of course. Remember that the Allied military commands are thoroughly mixed up as to personnel, with an American having a Britisher as his deputy or vice versa, and so forth. Each command in each field of operations is calling for just about all of the troops and supplies it can get. No one pays much attention as to where the troops or supplies come from. All of it is needed to defeat the enemy. On the military side, an American observer is more impressed with our direct military aid to the common war effort, the 86 percent our own troops are using, than the indirect war aid, the 14 percent we are furnishing our allies. On the other hand, in England the war aid furnished us, the so-called reverse lend-lease, is impressive. The bomber bases built and maintained for us are spread all over England. The British radio location system, which is mentioned briefly in the committee report and which is still highly secret, is an unbelievably accurate system for flying control in operations near the enemy and is saving American air crews and bombers wherever they understand it and use it.

There are other phases of so-called reverse lend-lease, which our troops, who are the best paid, fed, and clothed in the world, do not greatly appreciate. A. G. I. talking to us in London said, "You Congressmen should do something about this reverse lend-lease underwear we are getting from the British. It doesn't fit and it scratches." Thus, American troops are being brought in contact with different standards of living among our allies in a very graphic, although scratchy, way through reverse lend-lease.

The nonmilitary phases of lend-lease are not operating as satisfactorily from our standpoint. While the continued functioning of British economy is, of course, necessary to the war effort, it seems to me that our arrangements must somehow be put upon a more businesslike basis. So far as this country is concerned, these phases of lend-lease form a part of our whole foreign economic administration in fact, as well as in name. Where to draw the line between economic and military activities is difficult, and where to distinguish between war activities and the beginning of post-

war activities is difficult, but we must start to draw these lines soon. The head of our foreign economic mission in London, Mr. Phil Reed, seemed to me to be doing a very good job in a very difficult situation. Lend-lease is only one of the many economic activities which are covered in his office. I understand that machinery we furnish which has a post-war use is now being paid for by the British. This is a good beginning.

In north Africa the distinction is clearly drawn between military lend-lease and economic cooperation. We are furnishing mutual war aid, as in other theaters, and on the same basis, but economic aid is paid for in cash, even though this aid is of direct benefit in the war effort. The foreign exchange situation of the French Committee of Liberation is not as good as it was during the period of great military activity in north Africa. The frozen French assets in this country give us ample security for any advances we may make. Our relations with the French Committee, as trustees for the French Republic, are not in a satisfactory state from the standpoint of either side. I hope progress is being made toward a better relationship.

I sat in at a meeting of the North African Economic Board and witnessed the way in which this Board handles the mixture of economic and military questions which confront it. I saw our Army representatives dealing with members of this Board. I do not believe I should reveal the details of the transactions, but I was deeply impressed with the businesslike way the Board went about their job.

Mutual war aid must, of course, be continued so long as we are at war. Lend-lease as a post-war economic mechanism will not work, and we must remember that many post-war activities are starting, and should start, now while the war continues. The Eden white paper, which forbids the reexport of lend-lease materials should be revised on a business basis which is satisfactory to the British economy and to our economy.

I want to see our future relations with our allies, and particularly with Britain, be close and satisfactory, but to be close they must be satisfactory to all concerned, mutually satisfactory.

The day I was in Parliament, March 14, a number of interesting things happened.

The resolution inviting Members of Congress to visit Parliament was adopted, and some fine speeches were made on Anglo-American relations.

Later, there was a debate on post-war civil aviation during which one member said that the United States "would like to dominate the world's air—just as this country dominated the oceans in the nineteenth century—a perfectly legitimate aspiration, but one in which, I think, we must have our say as well."

Other Members expressed the same thought and urged that British Empire controlled air bases be used in bargaining for air rights. When we talk about get-



ting air bases in return for lend-lease, I think of those speeches. I realize that the final settlements must go far beyond the scope of lend-lease to be satisfactory to us or any other country. Now is not the time to attempt to outline what those settlements should be, but I suggest that, insofar as Britain is concerned, the lend-lease plan whereby a nation with one-half as many voters as we have, less than one-fourth our national income, and one-tenth our contribution to lend-lease, should not forever have a 50-50 control through combined boards of the bulk of our foreign economic activities. We are used to the ways of representative government, where numbers of voters count; we understand the corporate method, where each votes his stock interest. A combination of these might work. Whatever the arrangements are, they must be satisfactory to Congress.

On that same day in Parliament a member asked the Prime Minister, Mr. Churchill, whether he could "give an assurance that no final or binding commitment in regard to post-war trade or Empire economic policy will be entered upon by the Government until such a matter has been freely debated in the House."

The Prime Minister answered, "Yes, sir."

I think we should obtain the same assurance from our Executive by amending the lend-lease law itself. Up to date lend-lease has been characterized by trust in our allies and suspicion of Congress. This will have to change. We must provide by law for congressional approval of our post-war economic policies when we extend lend-lease possibilities until 1948, as we do in this 1-year extension.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. EATON. Mr. Chairman, I yield 3 additional minutes to the gentleman from Ohio.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from South Dakota.

Mr. CASE. I am not one who likes to bring up matters for the purpose of creating any disturbing incidents, but for the purpose of having a fair understanding of the situation, I call the gentleman's attention to an incident reported in a letter handed me last week. It was written by a boy who is in Iran. He stated as a matter of personal knowledge that the 5-gallon cans of gasoline which are furnished by us to the British under lend-lease at \$2.50 a can are purchased back by the United States Government at \$55. He cited some other incidents along that line. It may be that under lend-lease there may never be any repayment, or it may be that there will be just a lot of bookkeeping, but I am wondering if the gentleman thinks that in connection with the extension of lend-lease we can have some understanding that if any materials we furnish any other country are in turn refurnished to this country for our own use, the rate of charge shall be the same as that made when we extend the aid in the first place?

Mr. VORYS of Ohio. I do not know about the incident mentioned by the gentleman. If the facts are as given by your correspondent, then this is a shocking practice which should be stopped. As to the reports I heard about, I tried to run them down and found a very good explanation or found that the report was not true. For instance, I read in the London papers about how 40,000 lend-lease radios had been sent over there and there was a kick made that they were not being made available to the public for sale. I took that up with Mr. Reid and found there had not been any lend-lease radios for civilian use, but that they had been sent over to complete an old commercial order and they were properly being put on public sale.

I think we have got to watch to keep from straining at gnats and swallowing camels. The unimportant thing, in my judgment, is what happens with the stuff that has been lend-leased. As you all know, I think lend-lease is a phony as a label for what we are doing. What happens to second-hand gunpowder and a number of other war materials is not very important. What is of enormous importance is the arrangement we make for the future. These agreements will not be as a matter of settlement for past lend-lease, but will be as a matter of future business interest, political interest, and military interest, in preserving the peace and prosperity of the world for ourselves and others.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. EATON. Mr. Chairman, I yield 4 additional minutes to the gentleman from Ohio.

Mr. VORYS of Ohio. In these agreements looking to the future, I think the negotiators for our country must, among other things, look after the interests of our country, the commercial, political, and diplomatic interests, and so forth. But I do not think that we are going to get very far in talking about a quid pro quo for lend-lease and that is why I want to see arrangements other than military lend-lease kept out of the lend-lease picture. I think steps are being made in that direction.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. O'HARA. I would like to ask the gentleman just what is being done definitely in regard to the bases, air bases, particularly, that we have built both in the Pacific and in the Atlantic as to protecting the rights of our country and the tremendous sums which have been expended. In regard to that matter, can the gentleman give us any definite information?

Mr. VORYS of Ohio. I cannot give any definite information because there is not any definite information right now. I was at 14 air bases which I would consider of great strategic importance right now, and many of them will be of great strategic importance for a long time to come. Many of those air bases were built with British funds. However, they are thickly populated with American-built planes, both the ones we are flying

and lend-lease planes. It does not do any good to make an arrangement about an air base unless you can arrange about the air between that air base and the next base. I think that one of the matters which we ought to go into and get a settlement about now is a post-war arrangement with as many countries as we can, but particularly with the British, as to civil-aviation rights on a basis that will be mutually satisfactory. That is the gist of the debate I heard in the Parliament. I happen not to be an enthusiast for the national monopoly system, which was advocated strenuously that day, or the international corporation system that the Socialists in Parliament were mentioning. I favor our American competitive system. But I think we have got to make those agreements sometime, and, of course, they will involve our bases. If we get the bases back and do not get the rights as to air travel to go with them, the bases would not be very valuable.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mrs. ROGERS of Massachusetts. Does not the gentleman feel that the Congress should have some say-so regarding the lend-lease supplies of stock piles in foreign countries after the war is over? We had a very bitter experience with Japan when this country, over my strenuous and bitter protests, was shipping cotton and scrap iron. A great deal of it went out of the port of Boston. I saw a ship going out to Japan loaded with scrap iron, cotton, and other commodities of war which are now being used against us. We do not know what the Allies will do after the war, but we hope, of course, that they will be with us, and we will be with them.

Mr. VORYS of Ohio. I think that Congress should have submitted for its consideration the general policies and agreements with reference to the disposition of these materials. I do not think that Congress is in a position to deal very intelligently or effectively with this jeep or that tank.

Mrs. ROGERS of Massachusetts. What I had reference to was stock piles of materials.

Mr. VORYS of Ohio. I do not think that Congress is in a position to deal very intelligently or effectively with this pile of material or that pile of material. I think, however, that the policy should be submitted for congressional approval for the disposition of lend-lease materials after the war. Let us not get into our minds that this war is going to end like the last one and that there will be a certain minute one day when the war is going on and the next minute when it will not be going on. I think there is quite a possibility that this war may trail off and may not end up that way. We want to make our plans for post-war activities that will start while the war is going on and we want to make as many arrangements as we can for post-war plans while the war is going on.

Mrs. ROGERS of Massachusetts. We do not want an arrangement with Japan.



Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. WRIGHT. Insofar as the lend-lease equipment in the hands of our allies after the war, I believe the agreements provide at the present time that that equipment belongs to us and it should be returned to us. I do not see how we can do anything further than provide by agreement concerning such matters. We cannot send an armed guard to assure its return.

Mr. VORYS of Ohio. With reference to that point I think there is no way in the world to decide in advance what we want to do with second-hand military equipment. Perhaps one of the worst things a country could say to us would be, "Now, this is all yours. You have got to come over here and maintain it." Perhaps the best thing to do with many pieces of material in the shape they are in would be to say, "Could we please scrap it right here?" You have got to wait and see what shape the stuff is in and what use there can be for it elsewhere.

Mutual war aid is a gigantic task. We must keep at it. Post-war planning presents perplexing difficulties. We must get at it. Our country must make both war and post-war plans at the same time. One is the primary responsibility of the Executive. The other is the joint responsibility of the Executive and the Congress. Each branch of our Government must measure up to its full responsibility in this critical time, if we would keep faith with those who are doing the fighting and the dying.

Mr. BLOOM. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, false rumors, carelessly initiated or idly circulated, in these days of national tensiety, harm or subvert constructive governmental action. Harmless in their incipency, they tend to destroy the very basis of our plans and hopes. Designed for harm in origin they vitiate and annual attempts for unanimity of national action. False or careless rumors like slanderous gossip are avoided by men of character. Such rumors lengthen war.

The American mind of today is a war mind. Public reaction to a given report is a war reaction. Details of a story designed to incite become inflammatory. The war mind is easily aroused, but assured with difficulty. Man today the world over is preoccupied with his burden of the present world holocaust and welcomes any opportunity to relieve his tension by the expenditure of mental energy, too often in misdirected and unfortunate attempts to escape the reality of today's life. Rumor mongers know this. Careless or coldly calculating, harmful, or subversive thoughts scattered through vicious mouthings are deliberately planted in some cases by these purveyors of falsity in the mind of those known for loose talk and looser thinking. A harm desired is thus a damage accomplished.

Careful speech and thoughtful expression of opinion based on alleged fact should be the first rule of conduct of

every American. We all are conscious of the ease with which the simplest repetition of self-evident truths become distorted. Being aware of this tendency toward indifference in relating reports of events, Americans all should guard against the slightest untruth or equivocation, however simple, in matters affecting public interest. "Speak only the truth which you know to be true" should be the byword of every citizen.

Rumor by innuendo is equally devastating in result.

In one of the leading newspapers of New England, the Boston Herald, there is carried each week a rumor clinic, the purpose of which is to expose false rumors that are carried about the war. Through this medium the Boston Herald has and is performing a great public duty. Newspapers in other parts of the country could well follow this fine example.

I might say the Boston Herald, on its editorial angle is Republican, so my views are purely impersonal. This paper is rendering a great service in conducting the rumor clinic that it does each week.

One of the effective ways that we on the home front can help out is not to believe rumors—and if we hear of any to inquire as to their truth before we repeat them. Rumors are usually circulated to divide us by appealing to our emotions and our prejudices.

The press of our country can help out tremendously in exposing fake rumors. They can also help out by ascertaining the truth first before printing something that is not correct. I do not say this in any critical sense—as the press of our country generally are doing a fine job. Instead of criticism—this is a constructive suggestion.

Members of Congress should also be careful before making sensational and unfounded statements—or making statements on the floor of the House or Senate that appeal to emotions or prejudices without first ascertaining the truth of what they say.

These are days when silence on some occasions and the exercise of prudence on others will help our country.

Unfounded and fake rumors are harmful to our country. They help the enemy. They tend to produce misunderstanding and division. It is strange to note how many of these rumors start in Berlin and Tokyo and come over through German short-wave broadcasts, and in a few days are accepted by even some well-meaning persons as the truth, without making any inquiry at all; and everywhere we go we meet the rumor being repeated and repeated. That is dangerous. It should be stopped. The only way it can be stopped is by each one of us hearing any rumors checking and inquiring and not repeating them. They can only be stopped by restraint, self-control, the exercise of prudence, and inquiring before repeating.

The lend-lease law passed as a part of our national defense, has been used as a vehicle for all kinds of fake rumors. One follows the other. It seems as though there is an organized effort in some directions, among a small but or-

ganized propaganda group, to use this law as a vehicle to create and circulate rumors that are harmful to the conduct of the war.

Some of these rumors have originated in the Congress as a result of utterances by some Members that were later shown to be unfounded and inconsistent with the true facts. Such utterances do harm.

And those Members are very few and far between. The great majority of the membership of Congress, both Republicans and Democrats, have been acting and speaking with restraint. But unfortunately that cannot be said about all Members.

The testimony of Leo T. Crowley, Foreign Economic Director, before the Committee on Foreign Affairs when this bill was under consideration by the committee, shows the danger of such rumors. He testified to the number of rumors that have received wide circulation throughout the country, all of which were false. He could have given testimony to one or two statements made by Members of Congress that were incorrect. Those statements received wide publicity. The truth, when told to the public, received very little publicity.

How often have we heard the rumor—in time believed to be the truth by many fine persons—that lend-lease funds were used for a Washington party, wining and dining, and so forth, an Allied purchasing commission to the United States. That rumor had its bad effect. It was false.

What about the charge made in the newspapers by a Member of Congress—not of this body—that we had purchased large quantities of wheat from the Free French, and paid a much higher price than it could be purchased for here. The effect upon the farmer who grows wheat was harmful. The effect upon our people generally was harmful—throwing our money away. That story received wide circulation. It is still repeated. It was false. The truth is that while we did get a large quantity of wheat, from which thousands of barrels of flour were made, that our soldiers abroad needed, that we gave credit on reverse lend-lease at the prevailing price where the wheat was purchased. We did not pay any actual money for this wheat. Someone was fed a story. Without inquiring he made his startling and sensational charge. The public was stunned and believed the charge was incorrect but, yet, the damage has been done.

The man who made that harmful charge is a good American. His motive was political—to injure President Roosevelt. The real result was to injure the war effort.

Do you remember the famous diaper story? Another Member of Congress—not of this body—made that startling and sensational charge. He talked before he inquired. Another false impression conveyed to the American people.

There are many others that I will not mention, as the ones I have ought to be sufficient to show the danger of rumors and passing them along before inquiring.



The great majority of the Members of Congress are conscious of their responsibility in not making statements that produce misunderstanding and division among our people. Every Member should.

Mr. KNUTSON. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. KNUTSON. Has it occurred to the gentleman that many of these baseless rumors gain circulation because the administration insists on keeping the American people in the dark as to what is going on? I would like to get the gentleman's views on that.

Mr. McCORMACK. Rather than answer the gentleman's question, let me state my views broadly. What I say has nothing but the hope that rumors will not be passed on. My view, in answer to the gentleman's question—and eliminating the administration—is that the American public should be taken into their confidence by those entrusted with the conduct of government and the conduct of the war to the fullest extent that can be done consistent with the best interests of our country. I think I have answered the gentleman's question without reacting to the particular question, and I am giving my personal views. The American public should be given all the information possible that can be given at a particular time and which will not at that time be inimical to our country's interest; and if at a particular time it is, when that danger passes over, then it should be given to our people as quickly as possible.

Mr. KNUTSON. That is just the reply I expected from the gentleman from Massachusetts, who is not only a very able and valuable Member of this House but who always tries to be fair and take a nonpartisan view of most questions.

Mr. McCORMACK. I thank my friend.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. McCORMACK. Remember, we can be members of the Democratic Party or the Republican Party, and we can fight hard and honorably for our parties. As a matter of fact, I like to see it, but I do not like to see small, petty stuff—sniping, and so forth. At the same time, when the interest of our country transcends that of party, country comes first.

A charge made on the floor of the House, or in the Senate, or in the press by a Member of Congress is news, and is naturally and properly carried by the press. If the charge is not correct, and it tends to divide our people, the damage is irreparable. The truth has a difficult time overcoming fake charges when such charges appeal to emotion or prejudice. It is a dangerous game to play in wartime. The facts should be ascertained before charges are made.

The testimony of Mr. Crowley, setting forth a long list of false rumors, should receive wide circulation by the press so that all of us will realize and appreciate the danger to our country of false rumors. His testimony is amazing.

It should cause all of us to stop, look, and listen when we hear a rumor, and to inquire as to its truth before repeating.

We must remember that false rumors always divide—they never strengthen our people.

If we pay heed to the testimony of Mr. Crowley about false rumors, and profit thereby, we can greatly assist our country during the remaining days of the war.

Mr. EATON. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, this pending measure, H. R. 4254, which provides for the extension of the lend-lease law, presents some very serious aspects. In this Chamber where so many debates have occurred, and where so many appropriation bills have been passed for the benefit of our allies, both before and during this war, many of us view with alarm the implications of this measure. While each one of us want to do everything humanly possible to aid in the winning of this war as quickly as possible—we want our boys to come back home at the very earliest possible moment—yet we do not want our boys who are serving in the Army, the Navy, and the Marine Corps, and in every branch of the service during this frightful war, to return and find our own country so completely wrecked and torn by debt that life will be a burden and progress will be utterly impossible.

Mr. Chairman, we have financed our own war. In addition to that very heavy burden, we have financed, in large part, the war which is waged by many other countries; we have financed countries, under the provisions of lend-lease, which have not actively participated in this war. Our country, through those in power, has been extremely generous in giving, dispensing, loaning and casting upon many nations, both engaged in active participation in this war, and those who are not actively participating in this war, our money, property, and resources; many of those countries who have received those benefits from us have accepted them, but they have not been in great need of them. Many of the South American countries have received from us vast sums of money, for many things that are not needed for war. They have received the taxpayers' hard-earned money for needless things—and, yet, those same countries are not involved in this war. They have no active participation in it. And, as we meditate upon our own dismal financial situation in this country, under this same policy pronounced under the lend-lease law I assume those in power, and those who are administering the lend-lease, will continue to give away our money and our property regardless of the hardship that will eventually result to our own people because of it. The operation of lend-lease has been on a one-way boulevard.

Mr. Chairman, when this war is over, and when our soldiers and sailors return home and find a depressed and despondent people caused by an insurmountable debt, and with the many ills that flow therefrom, where factories and

mills are idle, where the economic situation is bad, and where the people clamor for the foreign debt to be paid, and nothing is paid or even offered to us, then the people of this Nation, with the soldiers and sailors returned from war, will have something to say.

And, may I observe today, when they discover that this administration has given, to a very large extent, the vast sums of money, the property, our resources, and our stores of property and supplies and that the foreign countries do not owe us anything and they will not pay us anything, but this is our debt, there will be confusion in this country. To a large extent, this has come about through lend-lease. It has been the agency by and through which the people of this country have been both betrayed and hoodwinked—because their hard-earned money, which they supposed was to be used for our war against our enemies, has been lavished upon many countries and for many needless purposes. But the result of a terrific debt will sooner or later catch up with those who engage in creating it. That is inevitable.

Mr. Chairman, whatever is necessary for the promotion of this war to a speedy conclusion, I will support. My record of the past confirms that position. Whatever may be necessary to equip our Army, and our Navy, as the best equipped Army and Navy in the world, I will gladly support. Whatever may be necessary to aid in equipping our active allies, I am in hearty accord with the policy to provide it where it will aid in bringing this war to a speedy termination. But, there should be a complete understanding that this is a loan, and that definite arrangements should be established upon that subject. The days of giving our all away, without any prospect of any return, have passed. We have reached the day when we must deal at arms length with our allies, because we have reached the very bottom of the financial barrel in this country.

Mr. Chairman, this measure should not be passed unless there is some safeguard placed around the spending and giving of our money and resources away. The Congress is the proper body to constitute this group to check the operation of Lend-Lease. In the past, the waste and the extravagance—the giving of our money away for useless and needless things—has been far beyond the imagination of men. This must not continue. There must be a system whereby the spending and the loaning of our money, our property, and our resources may be limited to the bare necessity for the prosecution of this war. The plan of boondoggling in many foreign countries must be abandoned, and we must get down to the one and single policy of doing those things which are essential for our victory in this war. I will support that plan which will place the Congress in control of the use of the funds under Lend-Lease, insofar as it is possible, because I am convinced that the representatives of the people should have a voice in this program; the people are providing the money for this war; they, through their representatives, should



have the right to participate in the decision of those purposes for which their money is to be used.

Mr. Chairman, as we go forward, today, let us go forward in progress, in thought, and in action. Let us give the people the voice they demand in determining the policy under Lend-Lease, and let us demand that the unwise spending and giving of our resources for needless things be abandoned, and that we get down to the one essential thing, today, of winning this war—and when the war is over, to win the peace as a lasting and a permanent peace.

(Mr. SPRINGER asked and was given permission to revise and extend his own remarks.)

Mr. BLOOM. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Chairman, I think the House is to be congratulated, and the country as well, on the spirit of unity that is manifested with reference to the consideration, and I think the support of the pending resolution which extends for 1 year the so-called Lend-Lease Administration.

I believe we all realize that with the country at war there must be unity, and there certainly must be unity with reference to the granting of aid to our allies under lend-lease, which has done as much and perhaps more than any other agency of the Government in helping us to win this war.

I want to commend and endorse the remarks just made by the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], in saying that we should decry petty and unfounded criticism. I do not believe there has been any activity of government where there has been more false rumors circulated than with reference to lend-lease. The Committee on Foreign Affairs has given very serious and prolonged consideration to this measure and to all of the facts pertaining to the administration of lend-lease. Could the entire membership of the House have been present during our hearings of nearly a month on this bill and have heard the explanations and answers made by those who know the facts to these various critics they would be satisfied. Our committee was satisfied and voted unanimously to favorably report this bill.

I want to commend the Administrator of Lend-Lease, or rather the Administrator of the Foreign Economic Administration, Mr. Leo Crowley, and Oscar Cox, its very able general counsel, who have been helpful, frank, and cooperative in giving us information as to the administration of lend-lease. I think the American people should be pleased with the very fine record and the splendid administration that has been made of this agency of the Government. I shudder to think what would have happened to the United States of America if we had not had lend-lease when the attack came upon us at Pearl Harbor.

It was as I stated at the time of its passage by the House in February 1941 a measure for the defense of the United States and we did not take that step any too soon. Lend-lease became a law on

March 11, 1941. At that time England was fighting alone. China was fighting alone. Russia was alined with the Axis Powers. England was almost exhausted from daily and nightly bombings and it then seemed only a question of a short time until Hitler, Mussolini, and Tojo, with Hitler in supreme command, would be the masters of the world. Hitler's submarines had control of the seas and he was mobilizing a force at Dakar in South Africa for an attack on Brazil and Nazi agents and fifth columnists with plenty of Nazi money were operating in the countries of Central and South America, and some of them were carrying on their pernicious activities in our own country, and the whole world was intimidated and frightened by these masters of brute force.

It was a courageous thing and a right thing for our country at such a time to give material aid to those who were fighting these enemies of civilization and lend-lease was the most effective means of giving this aid. England would have fallen long before our entry into the war but for the aid which she received under lend-lease. Russia was invaded and attacked by Hitler within 3 months after the passage of the Lend-Lease Act, and but for lend-lease and the supplies she received under it Hitler would have conquered her. Stalin has publicly admitted the supplies received under lend-lease saved Russia. If we had not passed lend-lease when we did it would have been too late and we would be fighting the Axis Powers today by ourselves, and England and Russia would be conquered and occupied countries impotent and helpless like France, Belgium, and the rest.

In the remainder of my time I want to point out somewhat in detail just what is being done and what is being accomplished today under lend-lease.

The Lend-Lease Act is a military instrument of the first importance.

Military items—planes, tanks, guns, ammunition, and other finished munitions—have constituted the backbone of the lend-lease program. More than half of our lend-lease aid has been made up of such items. In 1943 they constituted 61 percent of all lend-lease exports and in the month of December 1943, 67 percent.

By January 1, 1944, we had sent to our allies under lend-lease 21,000 planes. Of these 7,800 went to the Soviet Union and 4,000 to the Allied forces in the Pacific and Far East theaters. A large number of those sent to the Far East have been used to maintain the vital air link with China—"over the hump" from Assam Province in the northeast corner of India to Yunnan Province in the southwest corner of China. The rest went principally to the Middle East, Britain, and training areas all over the world.

By January 1, 1944, we had lend-leased 21,000 tanks and 500,000 military vehicles—truck, jeeps, and scout cars. Three thousand five hundred of the tanks and 175,000 of the motor vehicles have gone for use in the war against Japan. Four thousand seven hundred of the tanks and 230,000 of the motor vehicles have gone to the Soviet Army—more than to any other theater of the war.

And while we have been sending these planes, tanks, military vehicles, and quantities of other military items, we have built and equipped the strongest Army we have ever had in our history and a Navy bigger than any the world has ever seen before. American industry has indeed done a magnificent job.

The next largest group of items we have sent under lend-lease has consisted of supplies and equipment for making or repairing weapons, railroad equipment for hauling goods to the fronts and to the factories, and petroleum products for fighting planes and other combat vehicles. These constitute 20 percent of our lend-lease exports. By sending steel to Britain, for example, we have put to use in the cause of the United Nations the skilled labor of British workmen, British power capacity, and British industrial plants which can turn out shells and bombs to strike at Germany and Japan. By sending canning equipment and tin plate to Australia and New Zealand, we enable those countries to turn out great quantities of food which are furnished to our armed forces in the South and Southwest Pacific as reverse lend-lease.

Foodstuffs for soldiers and war workers have made up 12½ percent of our lend-lease aid. By March 1, 1944, we had sent to Russia 2,600,000 tons of food needed to maintain Soviet Army rations—more than to any other theater. These shipments have been necessary to replace the produce from the Ukraine, Russia's richest agricultural region, which was overrun by the Nazis. Now that the Ukraine has been liberated after more than 2 years of occupation we have sent 13,000 tons of seeds to assist the farmers of the U. S. S. R. replant the devastated lands.

Most of the rest of our lend-lease food shipments have gone to Britain to help feed her soldiers and war workers. These shipments constitute a vital 10 percent of the food consumed by Britain. Britain has always been dependent on imports for a large portion of her food. But by plowing up lawns, parks, and playing fields she has been able to increase food production to 70 percent over pre-war levels. Part of this increase she shares with us. Our forces stationed in Britain receive as reverse lend-lease 20 percent of the food they consume.

Each piece of military equipment, each piece of war-production material, and each ounce of foodstuff sent under lend-lease is for but one purpose—to enable our allies to strike harder blows against our common enemies. Our allies are now striking hard blows with us against our common enemies. On every battlefield in the world—the British whose bombers are nightly destroying the roof over Hitler's European fortress, while our Eighth and Ninth Air Forces do likewise by day; the Russians, whose armies have crossed the borders of Rumania and Czechoslovakia and are pushing on toward the centers of Nazi resistance; the Australians, British, Canadians, French, Greeks, Indians, New Zealanders, Poles, and Yugoslavs, who have fought shoulder to shoulder with us in the truly combined operations in the Mediterranean—



nean and Italy; the Australians, the Dutch and the New Zealanders, who are advancing with us on the islands and the seas of the South and Southwest Pacific; the British, the Chinese, and the Indians, who are now fighting with us in the jungles of Burma; and the Chinese, who are fighting with us in China to carry the war to the center of Japanese power.

All of our allies are putting everything they have into this war. Each has equipped its armies principally from its own resources. And each is turning over to us as reverse lend-lease as many supplies and services as it is in a position to do. From the British Commonwealth we had by January 1, 1944, received supplies and services valued at \$2,000,000,000, and we are currently receiving reverse lend-lease from them at the rate of \$2,000,000,000 a year. Our armed forces in Britain receive without cost to us one-third of their supplies currently required by them. The monthly rate of reverse lend-lease from Australia and New Zealand is now almost equal to the rate of lend-lease aid to them. Even French North and West Africa, whose territories have only so recently been liberated, have turned over to us supplies and services valued at \$30,000,000.

The Chinese and the Russians have not been in a position to supply us with reverse lend-lease in such substantial volume. But no one can say of them that they are not doing their part. Certainly not the Chinese, who have now been fighting the Japanese on their own land for nearly 7 years. Certainly not the Russians, who have now driven the Nazis almost completely out of their country, destroying millions of German soldiers as well as tens of thousands of German planes, tanks, and guns in the process. Each German or Japanese soldier or piece of equipment destroyed by our allies means that much less opposition for our American forces to face.

The victories that the United Nations have so far achieved have been based upon the pooling of resources through lend-lease and reverse lend-lease. The United Nations are now fast approaching the crucial hour. The men of the United Nations and their matériel are deployed to strike new and greater blows both in Europe and in the Far East. The plans for these new offensives are based upon the freest interchange of fighting manpower and fighting equipment. The first will be achieved through unity of command. The second through lend-lease and reverse lend-lease. It is absolutely vital that nothing be done at this critical stage of the war to disrupt these plans. The Lend-Lease Act must be extended.

(Mr. LUTHER A. JOHNSON asked and was given permission to revise and extend his own remarks.)

Mr. BLOOM. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, yesterday a question was asked with reference to the distribution of lend-lease food in the United Kingdom. I have received a statement, Mr. Chairman, which defines and explains everything with reference to this matter. The statement is as follows:

#### THE DISTRIBUTION OF LEND-LEASE FOOD IN THE UNITED KINGDOM

A considerable portion of the food supplied to the United Kingdom under lend-lease is not sold but is made directly available for consumption by the soldiers, sailors, and airmen of Britain. Another part of the food is distributed free of charge to needy school children, pregnant women, the crippled and destitute. The balance is sold for sterling by the United Kingdom Government through the regular channels of distribution to wholesalers who in turn sell through regular retailers but under controls and at prices which are rigidly controlled to prevent unequal distribution and profiteering.

The distribution of lend-lease food in any other manner would not be feasible. About 10 percent of Britain's food requirements is obtained through lend-lease. The remainder is grown at home or imported from the dominions and colonies. To segregate lend-lease food and distribute it through separate channels would require a new system of distribution which would waste manpower, would inevitably lead to great confusion in the pricing system, and would thus interfere with the prosecution of the war.

The proceeds from the sale of that part of the lend-lease food that is distributed through the regular distribution channels are, of course, received in sterling and not in dollars. These proceeds are retained by the United Kingdom Government and are not turned over to us. In view of the really tremendous volume of supplies and services we are receiving as reverse lend-lease, we have little present need for pounds sterling to purchase supplies and services in British territory.

Retention of the proceeds does not result in a double benefit to the United Kingdom. From the fiscal standpoint, the effect of the transaction is to reduce the amount of money the British Treasury has to raise by taxation or borrowing. The sterling receipts of the United Kingdom Government cannot, for example, be used to buy supplies in the United States. Since this is an internal matter, the only benefit to the British Government and therefore, to the British people, is that goods for the prosecution of the war are provided that otherwise would not be available. This is the benefit intended by the Lend-Lease Act. It's the same benefit whether the lend-lease goods are consumed directly by the Government as in the case of food consumed by the armed forces or of food sold through commercial channels for the use of war workers.

I should like to add, however, that the United States similarly retains the proceeds from the sale of reverse lend-lease goods. The dollars we receive, for example, from the sale of Ceylon rubber or tea obtained under reverse lend-lease, are retained by the United States and are not turned over to the British. The British are now supplying us as reverse lend-lease for importation into the United States certain raw materials, commodities, and foodstuffs heretofore purchased in the United Kingdom and colonies for cash. When these commodities arrived in the United States, our Government sells them through ordinary commercial channels and deposits the proceeds in the Treasury.

This question of the sale of lend-lease food by the British has been considered many times by your committee and the Senate Committee on Foreign Relations both last year and this year. In its report last year to the Senate recommending the extension of the Lend-Lease Act, the Senate Committee on Foreign Relations said:

"Some discussion was had as to the methods employed in distributing lend-lease food in Great Britain. The committee was advised that sale of the food through ordinary commercial channels was the most practical and efficient way to distribute it, and that

transfer of sterling proceeds of that sale to the United States would be undesirable, in view of the over-all exchange problem, and the impressive volume of lend-lease in reverse we are receiving. It seems clear, however, that due account can be taken of whatever benefit accrues to the United Kingdom Government in consequence of this transaction in any final reckoning of the costs to the United Kingdom Government of the lend-lease-in-reverse program."

Mr. EATON. Mr. Chairman, I yield 15 minutes to the gentleman from West Virginia [Mr. SCHIFFLER].

Mr. SCHIFFLER. Mr. Chairman, I shall take the time given me now to discuss an amendment that has been placed upon the Clerk's desk and which I shall submit when the bill reaches the point at which such an amendment is properly in order.

The purpose of the proposed amendment is to modify the existing law and require that all final settlements of lend-lease transactions from the date of this enactment be subject to the approval of Congress.

The amendment contains a provision whereby all duties and obligations arising out of or in connection with existing agreements shall in no manner whatsoever be affected by the passage of this amendment. This amendment would not, in any manner whatsoever, impair the effectiveness of present lend-lease operations between the contracting nations under present lend-lease agreements. If, however, any of the existing agreements were to be amended or in any respect modified whereby the provisions or terms would be liberalized, the additional benefits granted, as the result of such modification, would be subject to review and approval by Congress. The existing act contains the following language:

The terms and conditions upon which any foreign government receives any aid authorized under subsection A shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

Under the provision of this act, the President has the absolute right to completely forgive each and every obligation or debt arising out of or in connection with any and all lend-lease transactions. This is admitted by all who have carefully read the act, and the President recognizes that he possesses such authority.

In the preliminary print of the eleventh report to Congress on lend-lease appropriation, dated August 25, 1943, the President, in his initial letter of transmittal, said:

The Congress in passing and extending the Lend-Lease Act made it plain that the United States wants no new war debts to jeopardize the coming peace. Victory and a secure peace are the only coin in which we can be repaid.

This statement brought forth considerable criticism and in the official letter of transmittal, submitted to the Congress with the eleventh report, that language was deleted.

I cannot conceive that it was the intention of Congress in enacting the lend-



lease law to vest the President of the United States, whomever he may be, with the absolute authority to completely discharge every receiving nation of every obligation and debt arising in connection with the operation and extension of lend-lease property and money. It undoubtedly was the intention of Congress to grant broad powers to the President to administer such law and to grant lend-lease benefits where it could be of direct benefit in the winning of the war. I do not believe it was the intention of Congress that lend-lease benefits would be granted that would be of an economic or political benefit and extend beyond the duration of the war. The Lend-Lease Act was enacted into law prior to our military participation in the war. It was approved March 11, 1941. Our active military participation began 9 months later. A number of lend-lease agreements have been entered into with substantially all of the United Nations. Certain master agreements have been entered into. The terms and conditions of the master agreements which have been the subject of controversy, especially the commitments made in article 7 of the master agreements with Russia and Great Britain. Article 7 is in the following language:

#### ARTICLE VII

In the final determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics in return for aid furnished under the act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end they shall include provision for agreed action by the United States of America and the Union of Soviet Socialist Republics, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general to the attainment of all the economic objectives set forth in the joint declaration made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom, the basic principles of which were adhered to by the Government of the Union of Soviet Socialist Republics on September 24, 1941.

At an early convenient date conversations shall be begun between the two governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded governments.

In addition to the agreements made public, certain secret agreements have been entered into for the extension of lend-lease benefits. The terms and conditions of these secret agreements are unknown to the Members of Congress. It is reported that some 15 or more secret agreements exist. I have no knowledge of the contents of these agreements. I do know, however, that some of such agreements contain provisions

that are distinctly beneficial to the other contracting nations. This information was given to the Foreign Affairs Committee, in executive session, and under the rules of the committee and of the House I am not permitted to disclose the information which I have regarding the distinct advantages that accrue to the favored nations, under the terms of these secret agreements. I believe I am privileged to say that such agreements are in the main with South American countries.

The proposed amendment is designed to vest in the Congress, and very properly so, concurrent control with the President in the making of final settlements upon lend-lease transactions originating from this date henceforth. It does not attempt to modify in any respect whatsoever any of the existing agreements or to vitiate or impair any of the obligations and duties now existing by virtue of lawfully heretofore executed agreements. It does not prevent the making of new agreements. It will, however, prevent clauses in such agreements whereby the assets transferred by lend-lease or debts or obligations thus created can be completely forgiven without the approval of Congress. In the end, Congress may well approve such and grant such complete forgiveness. That is a matter for the Congress to determine when such proposals for settlements are submitted to the Congress.

It has been suggested that this would result in endless controversy and that Congress would be met with a tremendous responsibility. This is the duty of Congress under the Constitution of the United States. The necessity for the amendment is made apparent at this time by the desire of nations securing lend-lease benefits to amend and modify the existing agreements. New Zealand, Australia, and especially Great Britain are seeking discussions having for their object the modification of the existing agreements, and particularly a modification that would permit lend-lease materials to be used for reexport and for the sustaining of the economy of the contracting nations. This amendment will not, in any manner whatsoever, impair the effectiveness and efficiency of our war effort, or of the war effort of our active cobelligerents. It will, I trust, protect with reasonable degree the rights and property of our Government in the final settlement that would be made of all lend-lease accounts. Each year lend-lease has been reviewed and without modification renewed. This process of review has consisted largely of an appraisal and stock taking of the whole lend-lease operations. When it is realized that there has been made available for lend-lease a colossal fund that now approximates \$63,000,000,000 it is imperative that this Congress look carefully into this matter at this time and to the present status of lend-lease, as well as its future operations and of its effect upon the post-war economy of this Nation.

The direct appropriations for lend-lease to date amount to \$24,833,629,000. In addition, transfers are authorized from other appropriations in the amount of \$35,970,000,000, and in addition Congress has authorized the leasing of ships

with funds appropriated to the Maritime Commission without numerical limitation as to the dollar value or the number of such ships so leased, but which accounts also exceed \$2,000,000,000, or a grand total of more than \$63,000,000,000 and which is now available or subject to disbursement under the administration of lend-lease. This represents more than one-fifth of the total wealth of our Nation and nearly one-half the current national income. This money does not belong to the President; neither does it belong to the Congress. It belongs to the Government of the United States and is derived by the payment of taxes by the citizens of this Nation. The right and duty to levy taxes is constitutionally conferred upon the Congress, as is also the duty and responsibility of disbursing the funds thus obtained from the taxpayers of this Nation. To confer upon any single individual the right to arbitrarily deal with this stupendous sum of money, without a check or the approval of the Congress, as the direct representative of the people, who supply such, is, in my judgment, absolutely contrary to the will of our citizens.

This amendment is not personal in the sense that it would restrict President Roosevelt only. It would be equally and just as forcibly applicable to any President, whoever he may be and of whatever political party. It is not American in principle, nor does it follow the principles of our Government to grant such broad powers, which, in my judgment, are in contravention of the Constitution, and I believe that Congress ignores the intent of the Constitution by delegating such authority.

Arguments will be made that the committee amendment submitted by Mr. WADSWORTH is sufficiently restrictive. A careful reading of this amendment will clearly disclose that it does not reach the objective sought to be reached by the present amendment. It does not touch upon the question of approval of acts performed by the President under authority of the Lend-Lease Act, and which are exclusively embraced in executive agreements, and do not require congressional approval. It merely prohibits the President from making a commitment that would create an obligation affecting our post-war economic or post-war military policy which would be restrictive only of the things undertaken to be done in article 7 of the master agreements, and would in no sense whatsoever require congressional approval of acts done under the Lend-Lease Act for final settlement of the lend-lease accounts as between the United States and other contracting parties.

The necessity for such amendment at this time becomes apparent by reason of the attitude of our allies, some of whom are seeking a modification of the lend-lease agreements. I wish to call your attention to an Associated Press dispatch dated March 15, 1944, which is as follows:

#### UNITED STATES AND BRITAIN TRY TO CLARIFY FUTURE OF LEASE-LEND SET-UP

LONDON, March 15.—A determined effort to reach an accord on several basic problems of lease-lend—an issue of mounting importance in British-American relations—is understood



to be in progress to clarify the present and future economic position of both Britain and the United States.

The first objective probably will be a clearer understanding of the scope of British industrial exports at a time when this island nation is dependent on a life line from America for huge quantities of goods.

#### DIVISION OF PRODUCTION

The crux of the situation is how much of Britain's industrial capacity should be used for export production, how much is needed to maintain a war-pared trade minimum, and how to settle problems arising from the shift in shipping supremacy from Britain to America.

It is understood in London that rough drafts of a proposed agreement on one or more of these entwined questions had been drawn and then discarded after conferences in Washington. It is sure to be near the top of the agenda for coming discussions between Edward R. Stettinius, Jr., American Under Secretary of State and British officials.

Although the export problem alone is far reaching in its economic implications, it is just one of several which will tax the diplomatic, industrial, and trade brains of both nations in order to preserve the amity born of wartime partnership.

#### POST-WAR SHIPPING PROBLEMS

Other questions attracting mounting attention include—

1. Will there be post-war shipping pool by the two nations with a division of markets, or will there be out-and-out competition? What will be the position of smaller shipping nations such as the Dutch? Should an accord be reached now on subsidized shipping and tariffs?

2. What arrangements should be made now to dispose of the huge quantities of war materials—such as clothing and motor vehicles—to civilian use after victory without duplicating the chaotic market conditions that prevailed after the last war? What, for example, should be done with surplus machine tools to prevent a long shut-down in industry?

Both the British and Americans are approaching these and related issues with an increasing realization of their gravity, a growing desire to get them out of the way as the military situation brightens and gradual recognition of the political implications a solution holds for each other.

I also want to call your attention to another very important subject reported in the New York Times, April 16, 1944, and which I quote as follows:

Publication of British dollar accumulations, it was added, is opposed by our own Government officials because it might "furnish a weapon" to some legislators who urge curtailment of lend-lease aid without considering the future consequences of such an action. The new arrangement announced Friday, when approved, it was held, would constitute a "reasonable approach" to the use of British held dollars.

#### FIVE BILLION CREDIT URGED

However, it was argued, in order to lay plans in accord with the vague terms of the Atlantic Charter, Britain must be heavily backed by gold, possibly along the lines recently suggested by Leon Fraser, president of the First National Bank, of New York, who urged extension of a credit of \$5,000,000,000, formal cancellation of the balance of British war debts of World War No. 1, and a 5-year moratorium on lend-lease repayments. The extension of such a credit would be predicated on an agreement that neither nation would engage in competitive exchange depreciation.

The extension of such a credit by private banks, it was pointed out, is prevented by

the Johnson Act of 1934, which prohibits any group but a Government corporation to float loans for a country which still has an unpaid balance from debts resulting from the last war. No Government corporation has seriously indicated a willingness to make such a commitment and Congress has not paid attention to the problem.

Endorsing this reasoning by traders, Wilbert Ward, vice president of the National City Bank, of New York, and president of the Bankers Association for Foreign Trade, yesterday stated that he agreed "Britain is in a hot spot." British representatives who have visited the United States have not been able to return to Britain and report to that country's authorities "on what support they could count upon from this country," he declared.

Mr. ELMER. Mr. Chairman, will the gentleman yield?

Mr. SCHIFFLER. I yield to the gentleman from Missouri.

Mr. ELMER. From the gentleman's speech I take it he would admit that the original Lend-Lease Act provided that we should not receive any pay whatever for any of the lend-lease products or goods furnished to any Allies; is that right?

Mr. SCHIFFLER. I take it from the language of the act that the right to forgive all debts and obligations is completely vested in the President.

Mr. ELMER. That certainly is the law; is it not?

Mr. SCHIFFLER. Correct.

Mr. ELMER. And that has been the law up to the present time; is that correct?

Mr. SCHIFFLER. That is correct.

Mr. ELMER. And the commitments and contracts have been made with the Allies under that law?

Mr. SCHIFFLER. That is right.

Mr. ELMER. How are you going to amend the act so as to change the obligations of the contracts that have been entered into between the United States and other nations.

Mr. SCHIFFLER. The language of the amendment itself cares for that without impairing our obligations under existing agreements.

Mr. ELMER. The gentleman is a lawyer; is he not?

Mr. SCHIFFLER. Yes.

Mr. ELMER. Can you change a contract by action on the part of one party to a contract?

Mr. SCHIFFLER. No; but if the gentleman will permit me to read the language of the amendment he will find that it properly cares for such situation.

Mr. ELMER. Can you change it by amendment?

Mr. SCHIFFLER. We are not attempting to do so by amendment.

Mr. ELMER. Can you?

Mr. SCHIFFLER. Let me answer your question, please.

Mr. ELMER. Then you can require these people to settle for all the goods they have received as a gift, is that right?

Mr. SCHIFFLER. If the gentleman will permit me to read the amendment I will try to inform him as what it contains with respect to that particular provision.

Mr. ELMER. I do not care what it contains. The question is whether you can do that, no matter what it contains.

Mr. SCHIFFLER. The language of the amendment reads:

*Provided, however,* That all duties and obligations heretofore lawfully created and arising out of or in connection with all existing contracts or agreements, shall in no manner whatsoever be impaired or vitiated by this act.

Mr. ELMER. Then the gentleman recognizes that the contracts exist and we cannot change them, and all the goods that have been delivered cannot be reached or touched by this amendment.

Mr. SCHIFFLER. No.

Mr. ELMER. The only thing is that in the future they may agree to modify previous contracts, and that is the only way you can reach it, with or without your amendment.

Mr. SCHIFFLER. No; I think not. I think the amendment provides in the final settlement any benefits would subject to being submitted to the Congress for its approval before such settlements became final.

Mr. ELMER. If we have given several billion dollars and received reverse lend-lease from these people and there is a balance due us, according to the gentleman's computation now, how are we going to get it without their consent, without their modifying their contracts with us?

Mr. SCHIFFLER. I cannot say that those are the terms of the contracts. I believe whatever those terms are they should come back to this Congress for approval.

Mr. ELMER. The gentleman understands, does he not, that if he and I make a contract I cannot change that contract without his consent?

Mr. SCHIFFLER. Positively. I recognize that to be the law.

Mr. ELMER. Then how can the Congress change those contracts without the consent of the other parties?

Mr. SCHIFFLER. We are not doing that in existing contracts but only those made in the future.

Mr. ELMER. Then it applies only to lend-lease going out of here in the future?

Mr. SCHIFFLER. Precisely.

Mr. ELMER. All right. Let us get it clear in the Record.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. SCHIFFLER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is a contract valid or binding that is a one-way affair?

Mr. SCHIFFLER. That is rather a moot question.

Mr. KNUTSON. I ask the gentleman as a layman. This lend-lease is all going out and nothing coming back.

Mr. SCHIFFLER. What this amendment proposes to do is to put back into this Congress, where I think it properly belongs, the right to say definitely what will become of the American taxpayer's dollar, whether it shall be forgiven or not be forgiven.



Mr. KNUTSON. The gentleman from Missouri expounds a very interesting doctrine when he talks about a contract between the United States and some bankrupt nation that is just getting and getting and giving nothing in return. It would be terrible if that contract were vitiated.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. SCHIFFLER. I yield to the gentleman from Ohio.

Mr. ROWE. If we attempt by amendment now to interfere with what was an agreed contract and it applied to the whole lend-lease act and not any part thereof, just how effective would your amendment be?

Mr. SCHIFFLER. I will answer that in this way, that the Wadsworth amendment which came in and is a part of the committee print of the bill, is an attempt to repudiate a contract entered into in the master agreements in article VII. If you will read article VII of the master agreements, there are international commitments made as to which the Wadsworth amendment, part of the committee print, now requires that before the acts intended to be done under article VII shall be done, it shall be done in accordance with constitutional procedure.

Mr. ROWE. If I may proceed with this one further question, am I to believe that the Wadsworth amendment now is an admission that we did sign a complete contract at first, and we are now saying we do not want to agree to what we agreed to at that time?

Mr. SCHIFFLER. The Wadsworth amendment in effect puts the brakes on what was done in article VII of the master agreement, and now gives that authority back to the Congress.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. SCHIFFLER. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman from New York [Mr. WADSWORTH], the author of the amendment, when he spoke yesterday, said, I believe, that he did not think that lend-lease gave any authority to the Government to make any post-war commitments, but he just wanted to make it doubly sure by having it expressly contained in the act lest some person might take that authority from the Lend-Lease Act. I do not know whether I am quoting the gentleman correctly or not. He is here and he can correct me if I am wrong.

Mr. SCHIFFLER. Irrespective of that, the Wadsworth amendment goes directly to the text of article VII of the master agreement, where certain commitments have been made with respect to post-war conduct on the part of the United States.

Mr. ELMER. What did the gentleman mean awhile ago when he talked about constitutional processes?

Mr. SCHIFFLER. That is contained in the Wadsworth amendment.

Mr. ELMER. What does the gentleman mean by "constitutional processes"?

Mr. SCHIFFLER. That is a rather difficult question for me to answer. I

assume it relates only to those contracts which rise to the dignity of a treaty and not those that are within the category of executive agreements.

Mr. WADSWORTH. With that I cannot agree. I think it covers Executive agreements.

Mr. ELMER. Does the gentleman not think that these contracts ought to be definite and certain so that anybody who reads them can understand them?

Mr. SCHIFFLER. Undoubtedly.

Mr. ELMER. If you draw a contract for your client, that is the way you try to make it.

Mr. SCHIFFLER. That is correct.

Mr. ELMER. Is not that the way the gentleman would make it?

Mr. SCHIFFLER. Of course.

Mr. ELMER. Does the gentleman not think these contracts that he has been talking about with other governments are on the basis of what the President may think and how he may construe those contracts later on?

Mr. SCHIFFLER. I think the power and authority is given him under the act to construe them in any way he desires.

Mr. ELMER. All right.

Mr. SCHIFFLER. It has been suggested that this would result in endless controversy and that Congress in attempting to settle final accounts would assume a responsibility that it was incapable of discharging. That is a duty of the Congress. It is not to be assumed that any representative of this body is going out into the field to check whatever may be left in foreign countries of the supplies shipped there under lend-lease. We are to have submitted to us in written form a statement of what remains there under lend-lease and is to be returned to this country. We are then to determine whether or not that shall be forgiven. For instance, we supplied entire plants and have shipped entire plants to Russia. In 1 year we shipped over 600,000 miles of copper wire. We cannot recover that. It would likely be the better plan to abandon such and to forget it.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. SCHIFFLER. I yield to the gentleman from Illinois.

Mr. DEWEY. I note in article V of one of the master agreements this language:

The Government of the Union of Soviet Socialist Republics will return to the United States of America at the end of the present emergency—

That is what I want to accentuate—

at the end of the present emergency, as determined by the President of the United States of America, such defense articles—

And so forth. That refers to the end of the present emergency as decided by the President. What would occur in the event any one country of the United Nations should desire to make a separate peace with the common enemy? That would not terminate the present emergency except as to the country making the separate peace. What would happen as to the lend-lease or defense articles in the hands of that country, and would that stop any fur-

ther shipments? Is there any understanding about that in either the master agreements or in the act itself?

Mr. SCHIFFLER. I know of nothing in the master agreements. I think the act itself would cover it. It would be entirely discretionary with the President as to what would happen to the residue of any lend-lease property in that country.

Mr. DEWEY. Naturally, I agree with that, because the President has complete authority to lend-lease or do anything he pleases with any of these articles under any terms; but does not the gentleman think it might be advisable to give the Congress some power to express itself on a matter as important as that?

Mr. SCHIFFLER. In my judgment, if there were a settlement made with that country, under the amendment I am proposing that settlement would be subject to the approval of Congress.

Mr. DEWEY. True enough; but I am seeking to have a definite stop in case some country should make a separate peace. In that event, I think it would probably be advisable to have all use of lend-lease stopped and all further shipments stopped.

Mr. SCHIFFLER. I think under the terms of the act that automatically would occur.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SCHIFFLER. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not very important to have my amendment incorporated in the bill, which would provide that before any final settlement under lend-lease should be made it would come back for the Congress to act on under concurrent resolution?

Mr. SCHIFFLER. Yes; I think so.

Mrs. ROGERS of Massachusetts. That would be an added protection.

Mr. SCHIFFLER. I think the gentleman's proposed amendment accomplishes something that neither the Wadsworth amendment nor the amendment which I propose accomplishes. The Wadsworth amendment is directed to a certain objective, and I think a very sound one. I think the gentleman's amendment is proposed to reach another situation, and is also sound.

Mrs. ROGERS of Massachusetts. I think possibly the Wadsworth amendment could take care of the amendment I have in mind, but I want to make sure.

Mr. SCHIFFLER. I doubt very much that it does.

Mrs. ROGERS of Massachusetts. If we had a military alliance it would not, would it?

Mr. SCHIFFLER. That is correct.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

(Mr. SCHIFFLER asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. BLOOM. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I am going to attempt to address myself as



best I can to the Schiffer amendment and the Wadsworth amendment.

There was considerable discussion in committee as to the function of Congress in any post-war settlement that might be made with reference to lend-lease. My colleague from West Virginia [Mr. SCHIFFLER] is an able lawyer. I am afraid he has approached this matter too much from the standpoint of a lawyer and possibly is neglecting some very practical considerations which might bear upon the wisdom of his amendment and upon the House's decision as to whether or not it should be adopted.

To me this is not a partisan matter, and it is not to him. I think we are both eager, and I think all the Members of the House are eager, to see that the prerogatives of the House are insisted upon, that there shall be no bypassing of the proper functions of Congress either in the war or in the peace.

Lend-lease articles and services are extended to our allies for the purpose of the mutual prosecution of the war. It is not a debtor-creditor relationship. We make a great mistake if we consider the people who are the recipients of lend-lease as our debtors. We are putting guns into their hands from the practical point of view that they can better assist us with those guns than possibly we could if we fired them ourselves.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. I do not believe the gentleman will find any particular objection to the allocation of guns or munitions or implements of war on either side in the administration of lend-lease. It is the varied other activities that have brought about the criticism.

Mr. WRIGHT. To what is the gentleman referring? He is going to have to be a little more specific if I am to answer him.

Mr. CALVIN D. JOHNSON. Forty nations are participating, but only 12 of them are fighting.

Mr. WRIGHT. The objection of the gentleman was discussed and, I believe, answered yesterday. I should like to proceed with the thought I have, and if I have any time later I shall be glad to attempt to answer the gentleman.

I may say that the bulk of lend-lease is going to the nations that are doing the actual fighting. The major part of lend-lease is going to Russia and the British Commonwealth of Nations.

What is going to happen after the war is over? You are going to have military equipment, some agricultural equipment, some manufacturing equipment, and undoubtedly some transportation equipment all over the world. It is going to add up to a great amount of money. Also, there will be a great number and variety of items in various places all over the world, as the gentleman from New York [Mr. WADSWORTH] suggested yesterday. The question will arise as to what to do, for instance, with a certain number of small arms in Russia or in one of the islands adjacent to Australia, and he suggested very properly the decision

should be made by the military commanders in the field.

Otherwise you are going to put upon the Congress an almost impossible job of accounting. As I said before, the fundamental error is that the gentleman from West Virginia is considering the relation between these countries as the relationship between debtor and creditor, a business relationship, and is treating lend-lease as a commercial debt whose payment must be enforced. Remember also that the master agreements provide that all of the equipment which is not used or not consumed remains the property of the United States. If it is to our interest to secure its return, we have the legal right to do so.

Mr. ELMER. Mr. Chairman, will the gentleman yield to me for a question?

Mr. WRIGHT. Yes; I will yield, although I was trying to develop a point.

Mr. ELMER. If at the close of the war or at the end of any emergency or at anytime we were to have, as we have at this stage of the game, about \$5,000,000,000 worth of equipment in Russia, which consists of 8,300 airplanes, 220,000 vehicles, 200 locomotives, and 3,000 freight cars, how are you going to get it back?

Mr. WRIGHT. I maintain it is going to be impossible physically to get most of it back, and it would probably be to the financial detriment of this country if we did, if we loaded up the country and glutted our markets with a lot of equipment that was made for war purposes. It would be better economically if we scrapped it or permitted our allies the continued use of it. That is a decision which should be made at that time.

Mr. ELMER. Then you mean, if we give away everything we have, we would be in better shape than if we kept it?

Mr. WRIGHT. Yes; better off than if we try to get back the war materials and try to use them for peace purposes. I do not want to go into that question too far, because that is a decision we do not have to make at this time. It is a decision that should be made at a later date.

Mr. ELMER. If all of this material is in Russia, could you get that down into an area near Japan so that it would help us out?

Mr. WRIGHT. That is what I hope and what we all hope—that Russia will continue to use the material to help us.

Mr. ELMER. How are you going to do it without Russia's consent?

Mr. WRIGHT. Of course, it must be used with their consent. It would be a much better use for us if the Russians used the very same weapons and guns and their men against the Japanese. That is what every person in Congress hopes and every person in America, I am quite sure of that.

Mr. ELMER. Mr. Stimson testified, according to the report here, that he would not know how it could be done. Do you know of anybody who does?

Mr. WRIGHT. I do not know of anybody. Does the gentleman know anybody?

Mr. ELMER. No; that is what I am kicking about. They will keep it. You know they will keep it. They will never return a nickel of it to us.

Mr. WRIGHT. I do not have the gift of prophecy. I do not know what is going to happen in the future. However, I am addressing myself to this particular amendment.

Mr. ELMER. In my opinion, there is no nation on the face of this earth that in their own interest would not cut the throat of the United States if they got the chance.

Mr. WRIGHT. I think the gentleman is possibly a little pessimistic.

Mr. ELMER. That is what you may think. That is what I think.

Mr. BLOOM. Mr. Chairman, I think that remark is very unfair. Will the gentleman from Pennsylvania yield to me?

Mr. WRIGHT. I yield.

Mr. BLOOM. I do not think that remark should be carried in the RECORD. I wish that the gentleman would kindly withdraw it. It is a very serious allegation to say that they would cut our throat.

Mr. ELMER. That is what I think about it.

Mr. BLOOM. I think it is very unfair. They are our allies and we should treat them as allies. I do not think the gentleman means that statement should remain in the RECORD.

Mr. ELMER. We have not any allies. They are United Nations or associates. That is what they are called.

Mr. BLOOM. We are allies; we are fighting together to win this war. I think any representations or any statements made against our allies should be in other terms than as stated by the gentleman. I hope that before the RECORD goes to print tonight the gentleman will reconsider his remarks and withdraw them from the RECORD.

Mr. ELMER. The gentleman from New York will change his mind at the close of the war. You will see if you do not.

Mr. BLOOM. What I am saying is in all fairness to our allies.

Mr. ELMER. I am not going to do it because that is what I believe.

Mr. BLOOM. Mr. Chairman, I regret the gentleman's statement. It is most unfair, unjust, and most regrettable, particularly at this time when complete cooperation and mutual trust are so essential in winning the war.

Mr. WRIGHT. There is another objection to the amendment of the gentleman from West Virginia which I think is basic. I want you to consider for a moment the power that is exercised by the leaders of our allies, due to their forms of government, which are different than ours. The central Russian Government undoubtedly does not have to go to the legislative body to get consent for every business transaction that has to do with the joint waging of the war. Under the British parliamentary system the Prime Minister speaks for the Parliament. The Prime Minister acts for Parliament. He is their agent, you might say. He has power to speak for England and to make agreements for England. In the beginning of this war, even before the war started, we felt that it was better in order to insure flexibility and efficiency of military operation, to give the Presi-



dent great powers so that he would not be hampered in the proper conduct of the war. I personally do not think, and I do not believe that the Members of Congress think, that this is a time to change the rules of the game. If we do we are going to greatly handicap our President, acting through our military leaders. All of us have confidence in our military leaders. I believe that all of us have confidence in our President, in his patriotism, and in his sincere efforts to further the interests of this country. It is not a good idea to hamper the executive arm of the Government, acting through our military at the present time by imposing a condition subsequent upon any agreement which might be made with reference to lend-lease.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I am very happy to yield.

Mr. VORYS of Ohio. It seems to me, as to these future agreements the amendment offered by the gentleman from West Virginia [Mr. SCHIFFLER], or some such amendment, merely states the facts of the case. There is not any way in which the Congress can constitutionally hamper the President in making military agreements and executive agreements which are within his power, even if it tried to.

Mr. WRIGHT. That is right.

Mr. VORYS of Ohio. On the other hand, the nations abroad are fully conscious of President Wilson's 14 points and the Treaty of Versailles and what happened afterward. The fact is that the President of the United States, whoever he may be, cannot make an agreement that other countries will rely upon unless it is backed up by the Congress. So that when we write into the fundamental law the fact that future agreements must be approved by the Congress, all we are doing is writing in what is needed in order for the President to negotiate effectively with other nations.

Mr. WRIGHT. I am glad the gentleman has brought that point up.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BLOOM. Mr. Chairman, I yield 5 additional minutes to the gentleman from Pennsylvania.

Mr. WRIGHT. I would like to make a distinction at this time as to the type of agreement under the lend-lease authority which has antecedent legislative approval and needs no further legislative action. By lend-lease we empower the President, the Lend-Lease Administration, to make agreements which are binding without any subsequent approval by Congress. We understand that. I think for the purpose of making war that is the only efficient way of doing it.

But I am also thankful that the gentleman from New York [Mr. WADSWORTH], with his usual statesmanlike approach, proposed the amendment which he did, because, if I can make the distinction, and I would like to make it clear, when we come into post-war agreements and post-war planning and post-war relations among the nations, Congress should definitely have a hand,

as the Constitution provides that it should. What does the amendment proposed by the gentleman from New York [Mr. WADSWORTH] provide? It does not attempt to hamper our military forces or Lend-Lease Administration in making agreements with other nations, insofar as the supplying of arms and the necessary material of war is concerned. It does not in anyway interfere with the conduct of the war, but once the war is over it prevents any agreement looking beyond the war. It says, in effect to the Executive, "Stop, you cannot commit this country to any settlement as to lend-lease which is going to impose a post-war obligation upon the country unless you go to the Senate, in the case of a treaty, or unless you seek the approval of both Houses, in the case of an Executive agreement." So consequently there is this distinction between the amendments. The amendment offered by the gentleman from West Virginia [Mr. SCHIFFLER] ought to be defeated because I believe it will hamper our military and hamper our Lend-Lease Administration. It will impose new conditions upon lend-lease agreements and thus tie the hands of the administration. It will create an uncertainty in the minds of the nations with whom we make agreements as to whether or not the Congress is finally going to approve a settlement of their accounts. On the other hand we should adopt the amendment offered by the gentleman from New York [Mr. WADSWORTH] because it asserts the prerogative of Congress in dealing with post-war military relations and post-war business relations. I realize the nations of Europe at the present time recognize the fact that after the last war the division between the Executive and the Senate did very much to wreck the peace.

I am just as anxious as the gentleman from Ohio [Mr. VORYS] that we do not have a repetition of that. I think the Wadsworth amendment tends to remove that chance, or at least make it less probable.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. LUTHER A. JOHNSON. By "the Wadsworth amendment" the gentleman means the committee amendment which was offered in the committee by the gentleman from New York [Mr. WADSWORTH] and which was unanimously approved by the committee?

Mr. WRIGHT. The gentleman is correct.

Mr. SCHIFFLER. Will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. SCHIFFLER. Does the gentleman contend that it was the intention of the Congress when it originally enacted lend-lease that lend-lease goods should be shipped to the receiving countries and be resold by those countries and the proceeds put into the exchequers of the countries receiving lend-lease aid and utilized for general governmental purposes of those nations?

Mr. WRIGHT. No; I do not.

Mr. SCHIFFLER. This amendment is precisely the thing that is intended to check that practice.

Mr. WRIGHT. It is not necessary that the gentleman's amendment be passed. There is at present an agreement, as I understand it, between the nations that there shall be no lend-lease goods exported. Even under the terms of our master agreement they have no right to do it, because the title to the goods remains in us.

Mr. SCHIFFLER. That is not the case according to the statement of Mr. Stettinius himself in reply to questions before the Senate Foreign Relations Committee last year in which he admitted that the food shipped to Great Britain was being received and sold for cash by the British Government.

Mr. WRIGHT. To the British people,

Mr. SCHIFFLER. By the British Government to the British people and that the funds went into the exchequer and it went for the production of supplies to carry on the war. It might be used for the payment of troops or the building of a battleship or the repairing of a cruiser or buying potatoes or any other purpose. Does the gentleman contend that it was the intention of the Congress that it was to be utilized for such purposes?

Mr. WRIGHT. Perhaps we did not intend that, but I do not think the situation is as bad as the gentleman paints it. That is a relation between the British Government and their own people. The food is purchased by the Government.

Mr. SCHIFFLER. I am speaking of lend-lease funds.

Mr. WRIGHT. Yes, but whether they raise the goods on their own land or buy it from some other source, or whether they get it from lend-lease is immaterial. I understand the way they handled their food distribution, most of it is purchased by a central authority and then put on the market. In some cases it is given to the people and in some cases it is sold to the people. Our relations are with Great Britain. If Great Britain should sell lend-lease goods abroad, we would have a kick coming. But the way they handle their own food distribution is not a matter that is as grave as might be suggested by the gentleman nor a matter which is particularly our concern.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Yes, I yield to my colleague.

Mr. EBERHARTER. I think it is pertinent to ask the gentleman from West Virginia [Mr. SCHIFFLER] if Great Britain did not dispose of those goods to its civilian population by sale, would the gentleman prefer that Great Britain just gave it out free, without charging anything for it, not get anything into the exchequer? Or would the gentleman have them set up a system over there, by which they sell the goods directly to the people? You have to dispose of them some way. And the only way to dispose of them is by sale. It is much better than giving them away.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WRIGHT] has again expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman 1 additional minute.



Mr. SCHIFFLER. In answer to that inquiry—

Mr. WRIGHT. May I take the 1 minute please? To amplify what my colleague the gentleman from Pennsylvania [Mr. EBERHARTER] said, the British Government is being charged a running account of lend-lease, with that food. If it would give the foods to its people it would have no means of paying for the food eventually. It is either a question of the British Government being charged for the food or of the people of Great Britain paying for it directly to us, which would be an indescribably confused situation. This matter was brought up last year. As I say, I do not think it is as bad as the gentleman would suggest. It does not compare to the shipment of goods to another country by a recipient of lend-lease which would amount to obtaining merchandise by credit from us, and selling for cash abroad, and to which I think we have a definite right to object.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. EATON. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, I ask unanimous consent to speak out of order and that I be not interrupted during the course of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska that he may speak out of order?

There was no objection.

Mr. MILLER of Nebraska. Mr. Chairman, a great deal of interest has been stirred by the fact that I have seen fit to release for publication some correspondence I have had with General MacArthur. Because of that interest I feel it my duty to explain my reasons for thus disclosing my support of the general for the Republican nomination for the Presidency. As a humble Member of Congress and of the Republican Party, I felt it my duty to settle in my own mind the question of who would be the most outstanding and experienced man that the party could nominate. In going about this work I made it a point to see and talk to the men who were being prominently mentioned for President and to gain whatever other information I could about them. Since I could not talk to General MacArthur I studied his record and talked with those who knew him. Then I wrote him and received courteous replies. I made the correspondence public, and all of you now know its contents.

There are some people greatly concerned over the release of these letters for publication. I did this on my own initiative. I did not consult the general. In my opinion the general in no way was entirely agreeing with me in my criticism of the New Deal. Criticizing this administration is my privilege and duty. If the columnists and the members of the majority party want a whipping boy they should use me. Personally, I feel that the publication of the letters has again thrust the general back into the interest of the public. The amount of publicity through the press and radio

has been most amazing. A thousand fires have been started which eventually will have good results.

I have received some 300 letters and telephone calls. I would estimate that 10 percent of the letters were of the smear type—vicious, malignant, and unsigned. Some 15 percent ask questions, have doubts about MacArthur. Seventy-five percent are glowing with praise of the general and the possibility that he may be the next President and Commander in Chief of the armed forces. There are letters from church groups praising the general's humility and his belief in the Deity and his strong Christian statements. Others say, that an "experienced general in the White House will shorten the war." "MacArthur knows the Pacific warfare." "We may well fight the Japs single-handed." "MacArthur has built up defenses in the Pacific, knows that type of warfare." "Let's have an experienced soldier in the White House for one term to shorten the war." "The general knows diplomacy and foreign affairs." "He will deal with a firm hand at the peace table and with the Japs." "He will help write an American peace." "He will deal firmly with selfish blocs and groups seeking to destroy this country." All these letters have a ring of sincerity and seriousness. They are not from professional politicians but from the folks in the country who think in simple, honest terms. They want someone in the White House who will get the war over as quickly as possible and then write a just and a lasting peace. The letters represent the outpouring of the heart of America.

As a result of my study and these many letters I became convinced that Gen. Douglas MacArthur has the qualifications and experience to make a great President, and that the Republican Party should present his name to the people as its nominee. This is no reflection on the other outstanding men who are being mentioned.

The Republican Party has a number of outstanding statesmen who would undoubtedly make great Presidents. It is the duty of the delegates and those in the political saddle to select the individual who can give the best service. They should remember that the war is still on. There is no doubt but what General MacArthur has a tremendous national popularity. It is not based on sentiment, emotionalism, or hero worship, but rather upon the knowledge that he, above anyone else upon the horizon today, is better equipped to assume and fulfill the role of the Commander in Chief of the Army and Navy and President of the United States. His popularity comes from a deep feeling that here is a man who could be entrusted with the task of bringing this war to a conclusion in the shortest time possible and in doing so would see to it that we would not "inadvertently slip into the same condition internally as the one which we fight externally."

It should be remembered that General MacArthur has already held the highest military office in the United States Army. He has served in three wars. He has served for a long time as Chief of Staff,

and had General MacArthur's wishes and plans been listened to and followed in regard to fortifying the Philippines in the days when he was Chief of Staff, there might not now have been such a tragedy as Bataan and Corregidor. When President Roosevelt, through an unprecedented Executive order, continued him in office as Chief of Staff, he said:

It gives me great pleasure to promote so brilliant a soldier. I feel certain that General MacArthur will maintain the high standard set by eminent men who have preceded him as Chief of Staff.

General MacArthur knows how to get along with Congress.

The general had recently a most valuable experience in working with Admiral Halsey in the Pacific operations. This has given him an "on the job" knowledge of the use of combined Army, Navy, and military forces that is possessed by few other living men.

Is there anyone who can say that it is not most important at the moment, and for the months ahead, to have as President a man who by training, knowledge, and experience has such high qualities of Commander in Chief as is possessed by General MacArthur? It is a consensus of opinion that the war in Europe may be over early in 1945. We will then have the task of whipping the Japs. Who is better qualified to do that than General MacArthur? It does seem to me that any civilian nominee not having a military experience would undoubtedly be greatly handicapped. There are some people who would feel that continuing the New Deal would be the lesser of two evils rather than changing to some untried and inexperienced candidate.

A few of my letters have said in effect: "MacArthur is a fine general and is doing a good job in the Pacific, but what does he know about running the country?" It makes one wonder if a few of the citizens have become so conditioned in the past 12 years with the idea that one man, or the President, runs the country. The events of the past few months rather indicate that Congress and the Senate still function, and if General MacArthur were elected President, he would have the advice and counsel of men well qualified with experience in handling the internal affairs of the country.

The need now undoubtedly is for the office of President of the United States to function more as Commander in Chief of the Army and Navy rather than to devote his time to internal domestic affairs. There are plenty of capable representatives of the people who can look after domestic affairs.

I do not believe that the average voter will be touched or stirred by high-pressure campaigning by either party. Their thinking follows simple, honest, and direct lines. They voted for Roosevelt for a third term, not because they necessarily liked him; but the world was approaching a war. They might vote for Roosevelt again unless a candidate of unusual qualifications with military experience is brought forth. The voters are stating quite simply that since we are at war few men know the situa-



tion as well as Roosevelt and that a new man, regardless of his fine qualifications, unless he had a knowledge of military affairs might make some mistake. I do feel, however, that there is a mass movement among the people who are dissatisfied with this administration's conduct of the war and the home-front operations. They will vote for a Republican. The next House of Representatives will be Republican. They do want outstanding military experience in the White House. Who, may I ask, knows more about the Pacific and how to fight the Japs than General MacArthur? The Republican Party has several fine candidates, but are they the right men for this election fight? Does not the average man feel that the next occupant of the White House should understand military operations and international maneuvers in order to avoid mistakes when he takes over the reigns of government?

It is my opinion that General MacArthur has every special qualification that would cause the average voter to put him in office. He has a tremendous national popularity. He is trusted by the people. He has humility and respect for the Deity. The average man will not need much selling to win his vote for MacArthur. He would well think that here is a man who comes home to help us do the things on the home front that will help our boys on the battle front.

The opposition would find little political ammunition in campaigning around the thought that he is not fully acquainted with the war in the Pacific or that he lacks knowledge of home-front problems.

After the war the big job will be that of making a just and lasting peace. Success in this undertaking will depend upon our relations with our allies while the war is being won, and in our post-war negotiations. I do not think for 1 minute that General MacArthur is an isolationist. With his experience he must know that in order to assure peace in the world we must work with other countries. I am sure, however, that he is not imbued with the idea that it is our duty to make the world over according to the idealistic schemes of the social planners who dominate this administration, and who shout "isolationist" at everyone who disagrees with them. I am sure that he will do everything possible to help the other nations establish and maintain a just and lasting peace. He will strongly represent American ideals, but he will not attempt to meddle in affairs of other great nations and thus engender feelings that will lead to other wars. In carrying on our foreign relations I am sure he will be guided by an informed public opinion.

The other job that confronts the next President is the solution of our domestic problems. Our biggest domestic problem now is to bring about an unselfish and united effort to back up our armed forces. By its policy of favoring certain groups and opposing others the New Deal has divided this country into warring factions. Somebody is needed who can call all the people from their own interests and galvanize them into a united force.

Again, I say, who could better do this than the man who has done so much with so little, who not only stopped the Japs short of Australia, but who drove them back even though his has been considered a secondary front. He is free from obligation to any faction of our people. He could talk to them in the words of our soldiers and sailors on the battle lines.

General MacArthur is a born leader of men. He has been fearless in his contacts and has been right in his judgments. He has a profound belief in the essential good judgment of the American people once they know the truth. He believes in constitutional government. By every standard he measures up to the high stature of the Presidency.

In conclusion, let me emphasize my previous statement, as to my motive in publishing this correspondence. I was moved by an intense desire and the need of the country and hoped the Republican Party would nominate a man who could win the election and who would be wholly competent to lead our country in this critical time to a quick victory and the writing of a lasting peace without this country losing some of the things which we are fighting to protect. I believe that in releasing this correspondence that it has focused the country's attention upon this critical need. I take full responsibility for my act and ask that criticisms for it be directed entirely at me. In the general's replies to me I did not, nor do I now consider that he endorsed in whole my criticism of the New Deal, although I feel that the general is gravely concerned with the way things are going in his beloved country. Other generals and high officials have felt free to express their concern. Every American has that right, or should have it. I did what I thought was right. This may be politics and politics often does strange things but it has given the people a chance to think.

It is most necessary that the Republican Party will nominate a man of General MacArthur's ability and ideals and if they do they will be electing a great American as President of the United States.

Mr. EATON. Mr. Chairman, in the midst of the exacting intellectual toil of this body in considering this very important legislation, I am sure we are grateful to the gentleman from Nebraska for injecting a one-man nomination convention at this point. I want to thank him for the relief and pleasure it has given me personally.

Mr. BLOOM. Mr. Chairman, I yield 20 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD of Montana. Mr. Chairman, I should like to discuss the situation as it exists in the Far East at the present time. I believe that this country, due to recent developments, has become more cognizant of the serious threat to our security that lies in that area. In order to comprehend the situation, we have to understand some of the factors affecting the different countries, located in that part of the world.

Even though Russia, in a military sense, is not engaged in the Pacific war,

she is, nevertheless, in a position of considerable importance. Some of the American planes that are playing such a vital part in the defeat of Hitler on the Russian front have reached the Russian Army by way of Siberia. Other lend-lease supplies are still being shipped in by way of Vladivostok and are transported from that port by means of the Trans-Siberian Railroad, not only to the European front but perhaps also to possible fronts in Asia. The Russians still have a large concentration of troops on the Manchukuoan-Korean frontier and as long as that concentration remains where it is, so long will Japan have to divert some of its army and air force to that area for its own protection. On that basis some hundreds of thousands of Japanese troops are immobilized and that means that those troops cannot be used elsewhere.

There have been reports lately emanating from Chungking to the effect that a sizable portion of the Kwantung army has been dispatched from Manchukuo, its headquarters, for service in central China for a drive against Chungking, and also for service to southwest China for a possible drive against the American-trained Chinese divisions located north of Burma in the Chinese province of Yunnan. Just what this indicates is, of course, hard for a layman to know, but it would appear that Japan is girding itself in an effort to compensate for losses suffered in the Pacific at the hands of MacArthur, Halsey, and Nimitz. Japan does not have the naval power or the air power to stop us for long on any front that we desire to set up in the Pacific Ocean, but she does have a concentration of forces in China proper and perhaps elsewhere on the Asiatic Continent to strike telling blows. We cannot afford to become too sanguine about our Pacific successes because there we have to fight not only the Japanese but space and time as well, and those two elements have been, and still are, on the side of the Japanese and they are allowing our enemies to consolidate their conquests and to exploit the resources in the conquered territories.

In their attempts to strike telling blows, to compensate for their Pacific losses to us, the Japanese have undertaken the invasion of India which to date, from their point of view, has been a very successful operation. It is not a matter of liberating India as far as the Japanese are concerned, nor do they consider seriously the setting up of a provisional government to administer the affairs of that sick country. Rather it seems to be a well-calculated and long-thought-out plan to break into certain parts of India, obtain some degree of control and use those parts of the country, specifically the state of Manipur, to cut China's heart by disrupting her supply route from Calcutta to Assam.

From a study of the map of east and northeast India it appears that the Japanese are striving to cut transportation on the Bengal-Assam railroad, which of course will mean, if they are successful, that the supply lines leading to the Ledo Road now being built by American and Chinese forces under Stil-



well, will be cut off and it also means that the advance air fields in Assam from which supplies are flown into China will be rendered negligible from a transportation point of view. While the cutting of the Bengal-Assam railroad would not keep all supplies from going into China or north Burma it would diminish its effectiveness to such an extent that American transport planes would have to fly farther, carry more gas and smaller loads of vitally needed matériel. All our troops under Stilwell's command would be placed in a very hazardous position because they would have to be supplied by air and this is at best a difficult undertaking.

We know that for the past year and a half that Americans have been stationed in the high spots of the Himalayas and that those men located in those isolated areas have to be fed by parachute. All the material which would have to be sent in by air to China would be considerably less because of the necessity of feeding the Americans, and the Chinese carrying forward the work of opening the supply routes to China and subsequently would bring about a lessening in the flow of matériel needed to carry on the war in that area. The effect of this would undoubtedly be a long delay to the struggle in Asia and it might, if carried on long enough, bring about the loss of China in this war. Too often have we kept the Chinese alive on promises, and too often have the Chinese been let down only to bounce back again. There is a limit to a people's and a nation's endurance and the psychological effect of what Japan has been able to do in India has hurt our prestige with the Chinese and lowered their resistance to a dangerous degree. If the Japanese are successful in India and Burma, it is not too much to assume that China with its internal weaknesses such as unchecked inflation and ideological conflict may be forced out of the war.

That is something that we must take into consideration all the time, that is one of the reasons why we must be aware of what is going on in the Far East and recognize the facts for what they are. I have taken as active an interest as I possibly could in our great ally China not so much because I like the Chinese people—and I do—but because I feel quite strongly that the more assistance we get into China and the greater use we can make of China's manpower the less difficult will be our part in the Pacific war and the more American lives we will save.

Our bombers have begun to make their presence felt in China, although in that theater we have not yet assumed the offensive. On the Asiatic mainland, time has, in one sense, been fighting on the side of the Celestial Empire. But time is a fickle ally. Potentially, China remains our most effective base for aerial operations against Japan.

Supply is our problem in China. To supply our growing air strength in that country has been perhaps the greatest single challenge to the efficiency of the air forces. Every item of equipment necessary for the maintenance and operation of our Fourteenth Air Force must

be flown into China from the outside. That is the primary, fundamental fact of our present strategy in Asia.

It may throw some light to consider this fact in terms of gasoline alone. In the round trip over the hump between Assam and Kunming, the C-87 transport now in use can deliver 4 tons of 100-octane gasoline. To do so, the airplane must consume 3½ tons of the same precious commodity.

The crews of a heavy bombardment group in China must ferry over their own gasoline, bombs, replacement parts and everything else in their own B-24's—the C-87 is a converted B-24. Before this bombardment group can go on 1 combat flight, it must make 4 trips over the hump. To perform 1 extremely dangerous mission, those crews must make 4 separate flights over the most hazardous mountain terrain in the world. Until such time as we conquer the territory and build the road into China, and/or capture a seaport, we must follow this procedure whether it is for 40 aircraft or 4,000.

Our problem of making supplies flow into China by no means starts in Assam. When Maj. Gen. Lewis H. Brereton and his men first arrived in India from Java they found a total of 10 airdromes in that entire subcontinent. Until that time, the British defense of India had been based on the assumption that the only threat could come from the northwest frontier—the Kyber Pass. The Japanese seizure of Burma suddenly threatened attack not from the northwest but the east.

A complete and rapid readjustment of defenses was in order, a formidable task in any country—let alone India. There, the enervating heat, the apathy of the natives, the total absence of modern methods and equipment, combined to form a staggering prospect.

Assam is separated from the rest of India by the Brahmaputra, one of the longest rivers in the world, and one that has not a single bridge through its length in that country. Its mean level varies with the seasons. At certain times of the year, a 25-foot rise and fall puts river ports out of commission during both flood and ebb periods.

There is no through road between Assam and Calcutta. Rail transportation is complicated by changes in gage, and the existence of antiquated train ferries. The capacity of the inland water system was for a long time even lower than usual because power units and barges had been moved to Iraq. And during the monsoon season, nearly all nonriver transportation ceases because the area is completely flooded.

The monsoon season lasts, in Assam, from mid-May to mid-November. The average rainfall is about 150 inches as compared to a 20-inch average for a similar period in, say, Virginia. Malaria is a constant threat.

Life and labor are cheap in India. Sections of tea land were cleared for our airdromes and runways were painfully built with rocks taken from the river bottom and carried in baskets on the heads of coolies. Antediluvian stone rollers,

pushed by other coolies, are used to pack down the rock.

Our flying transport operations are no less difficult. The pilots who fly our transports in that weather are as exposed as any in actual combat. Seventeen thousand-foot mountains have to be cleared by instrument flying; if our men veer to the north they meet 22,000-foot peaks while to the south they drift over Japanese-held Burma. It is no country to crash-land in.

That is the route our supplies must travel after they have already been shipped more than 10,000 miles—supplies not only for our Fourteenth Air Force but to help equip the Chinese Army and to build and defend China's airdromes.

And yet the Fourteenth Air Force is in the skies over China. Under the command of a master tactician, Gen. Claire L. Chennault, American fliers of the Fourteenth have from February 2, 1942, to October 31, 1943, brought down 351 Japanese aircraft, with a loss to themselves of only 68, an unrivalled record. That is not counting enemy aircraft probably destroyed or damaged.

A record of this scope is all the more impressive in that it was built up in the course of what is, by today's standards, aerial guerrilla warfare. The pre-condition of all successful guerrilla operations—an actively friendly countryside—exists in China, and the Fourteenth has taken advantage of this by helping the Chinese create one of the most efficient aircraft warning systems in existence. Our bases are notified of the approach of a Japanese flight almost at the moment it takes to the air. This warning system was one of the factors that enabled the Fourteenth to provide the support which helped to stop the Japanese cold in the Tungting Lake offensive of May and June 1943.

In its primary mission of protecting the terminal bases of air transport, the Fourteenth Air Force has been completely successful. At the same time, we know that air transport must be established for our Chinese bases. It need hardly be stated that we have no intention of allowing our air operations from the Asiatic mainland to remain on the level of guerrilla warfare. Neither Japanese shipping nor Japanese industry will survive the bombing in store for them.

Mr. LUTHER A. JOHNSON. Will the gentleman yield?

Mr. MANSFIELD of Montana. I yield to the distinguished gentleman from Texas, my able colleague on the Foreign Affairs Committee.

Mr. LUTHER A. JOHNSON. The remarks of the gentleman about China and the Orient should be of interest and should carry weight because the gentleman is familiar from personal knowledge he has had by reason of residence, as I understand it, in China. For how many years did the gentleman live there?

Mr. MANSFIELD of Montana. Just 3 years.

Mr. LUTHER A. JOHNSON. But the gentleman knows the conditions over there, and I think the House is interested



in hearing upon that question for the reasons stated.

Mr. MANSFIELD of Montana. I thank the gentleman.

If China is, because of circumstances, forced out of this war we will live to rue the day that such a happening occurred. The only way that we can keep China in this war and fighting as she has over the last 7 years is to see to it that she gets the tools, because we can be very certain that if we keep her supplied she will do her job, and do it well.

The present method of acquiring lend-lease material for China is not too satisfactory. The material sent in is not the property of China but rather is American goods, and is at the disposition of the Joint Munitions Board. This Board may at any time change the destination of these shipments. China does not have a representative on this Board, the reason being, I believe, that China is not one of the producing nations and is therefore not entitled to a seat. Her needs are stated by an American Army officer specifically assigned to this particular job. All matériel destined for China is shipped to the commanding officer in India, who is General Stilwell, on a month-to-month assignment. This perhaps is necessary, but the objection to it is that this war cannot be waged on a month-to-month basis. Furthermore, the exigencies of other fronts sometimes divert supplies originally intended for China. China would prefer to have the United States make no promises except those which we can carry out. We have been overenthusiastic too many times and promised to China matériel which we could not under any circumstances, in view of our own needs, send to her. The result has been that China has suffered one let down after another, and this is not very conducive, as you can well understand, to a feeling of harmony and strength. China's thanks would be much more warm and sincere if we would promise a small degree of help and produce it rather than promise much and produce only a small part. China would like to have 60 divisions, or 600,000 men fully equipped so that they could be in a position to carry out a real offensive against Japan. At the present time the Chinese have only 3 or 4 divisions fully equipped, and they are located in India and on the Burma front. In China not even 1 division is equipped with American matériel.

While we have been doing remarkably well under lend-lease I feel that we should be able to do a great deal more. Certainly American ingenuity is not to be satisfied with an aerial route over the hump of the Himalayas into China and a proposed road through northern Burma. We know, of course, on the basis of what Admiral Nimitz and General Stilwell have both said that we are going to drive across the Pacific until we acquire control of a seaport on the China coast, but that is going to take a long time and until that day is at hand it appears that we will have to be satisfied with what routes we now have either in operation or under consideration.

In 1942 we sent over the hump something like 5,500 tons of supplies into

China; in 1943 we sent in 12 times that amount and in the month of December alone we transported into China by air more than twice as much as we sent in during the entire year 1942. This indicates a great advance in the amount sent in but it by no means comes anywhere near satisfying the requirements of either Chennault and his Fourteenth Air Force or the forces of the Chungking government. However, in all honesty it must be admitted that this aerial transport route is probably the toughest road in the world. The average round trips between Assam, the starting point, and Kunming, Chennault's headquarters, were 5,000 a month which indicates, of course, that a great deal of traffic was being carried on. However, in northwest India the precipitation is the heaviest in the world and because of this plus extremely cloudy conditions and the mountain barriers which have to be flown over, the job is a tremendously difficult one. At the present time of the something in excess of 100,000 American troops in India 20,000 are being used in the building of the Ledo Road which is progressing favorably and which will, if the Japanese are stopped in Manipur and driven out of India, connect with the Burma Road eventually.

This road is being built by American troops and guarded by Indian-trained, American-equipped Chinese soldiers under Brigadier General Boatner. They are doing a splendid job and the Chinese troops have been able to furnish all the necessary protection. When the Ledo Road connects with the Burma Road, and that should not take too long, it will mean that the Japanese will have to be driven from the Burma Road area which they occupy in northern Burma up to the China frontier itself. This is going to take a long time and added to that is the fact that the Burma Road itself will have to be repaired to a considerable extent, and when one considers the chasms which must be bridged and the other topographical difficulties to be encountered, one can begin to comprehend the seriousness of the situation. It is along the China end of the Burma Road that Chiang Kai-shek has some three or four divisions of American-trained troops, and to get back to what I said earlier in this talk, it is to this particular part of Burma and China that, supposedly, some of Japan's Kwantung Army soldiers have been dispatched.

I believe that the Lend-Lease Administration is doing everything in its power to speed up aid to China but I am far from satisfied with the actual tonnage which has been sent to our gallant ally. We are not fighting this war alone nor are we fighting to make the world safe for democracy. We are in effect fighting for the right of democracy to live, and whoever fights our enemies fights with us at the moment, and we are not under any circumstances obligated to accept what they think or believe. We have to realize that this is a global struggle and that it will take the united efforts of all those allied with us to bring this war to a victorious conclusion. To say that we have now entered on the most critical years we have ever known is simply to

state the obvious. We cannot afford to let differences of opinion sway us at a time like this. We have an obligation to keep faith here just as do the men on the battlefields all over the world. The men on Wake, Tarawa, and Bataan kept that faith to the end. It is up to us, all of us, to finish the job they started. But valor alone will not win in this modern warfare of dive bombers and tanks. The final result will be determined by the united, organized, civilian army which supplies the uniformed armies with the shoes, planes, tanks, guns, ammunition, food, clothing, and medicine—everything possible for victory.

We cannot afford the type of mental or military unpreparedness which has characterized the Indian and Burma military strategy too often in this war. We have underestimated many things such as the striking power of the Japanese Army, the reaction of colonial peoples, and the defensive strength and dogged determination of the Chinese. Psychologically we have waged a very poor war and we seem not to have learned too much as a result of what we have been through. We have to realize that this is a life and death struggle and that, unfortunately, our losses are going to be great. That is the sad part about any war because while you can re-create wealth you cannot bring back a life.

I am interested in bringing an end to these barbaric struggles which plague each of our generations and I would like to save as many lives as we possibly can in this present war. That is why, I repeat, I am so interested in China and the part it should play. China is more than willing to assume her share of the burden of carrying on the war in the Far East. She knows her limitations but she desires to work as a team—the Chinese to use their manpower to carry on the infantry operations if we will give them the supplies and the material, and we to use our ingenuity and skills to carry on the sea and air warfare. Our whole war plan in the Pacific is based on the belief that China will continue to oppose Japan indefinitely, but China—near the brink of exhaustion—cannot continue this policy unless we get the supplies to her. It is therefore obvious that we must take every conceivable step and use every power at our command to strengthen China's Army and to keep China in the war. Not only must we do it for selfish reasons at the present time but also because in a long range consideration of the matter a strong China will have the good will of the peoples of Asia and by that token we will have their good will also. China could lead the way to democracy in Asia. China could use her growing influence morally as well as politically to help build up a better order in the Pacific and, finally, China could make an important contribution to the enforcement of peace in the Pacific because with her great resources, both natural and human, as well as her geographical position, a strong China would be able to share with other great powers the responsibility of keeping the peace in the Pacific region and making that area one



of security rather than the powder keg it is at the present time.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD of Montana. Gladly.

Mr. JUDD. I want to pay tribute to the very scholarly and sound statement made by the gentleman from Montana in regard to the situation in the Far East. I am very sure that America, naturally preoccupied with the coming invasion of Europe, is not paying adequate attention to the seriousness of the situation in the Far East.

Admiral King last summer said that our job would be made almost impossibly difficult if China were to drop out of the war. The way in which the white man has crumpled up like a house of cards and been caught unawares again, and again, and again in South China, South Asia, in Burma and India, is most disconcerting from the Chinese standpoint; yes, but primarily from our standpoint, because for every Chinese they lose we have to put in an American who, under these difficult circumstances, is not the equal of a Chinese soldier. I want to express my great appreciation to the gentleman for bringing this subject before us at this time when it is of such crucial importance to our own conduct in the war.

Mr. MANSFIELD of Montana. I thank the distinguished gentleman from Minnesota. As this House knows, I have a high regard for the gentleman and consider him one of the outstanding authorities on the Far East in the entire country. As I have stated on many previous occasions, we are indeed fortunate to have him here as a Member of this body.

Mr. EATON. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD; and at the appropriate time, when we go back into the House, I am going to ask permission to insert articles V, VI, and VII of the master agreement, and sections of the original act of 1941, to show the necessity, I feel, for the amendment which I am going to propose tomorrow.

The CHAIRMAN. The gentlewoman, however, asks now for permission to extend her own remarks?

Mrs. ROGERS of Massachusetts. That is right.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. A great deal of interest has been expressed concerning my amendment, and a great deal of approval, and in order that the Members may have it before them at this point in the RECORD so that they can refer to the master agreement with Russia, which is a sample agreement of the master agreements with other countries—and that master agreement will be found on page 72 of the report of the Seventy-eighth Congress on lend-lease operations.

The following is the section of the Lend Lease Act to which I refer, and

articles V, VI, and VII of the lend-lease report of the Seventy-eighth Congress:

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

#### ARTICLE V

The Government of the Union of Soviet Socialist Republics will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under this Agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.

#### ARTICLE VI

In the final determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the Union of Soviet Socialist Republics subsequent to March 11, 1941, and accepted or acknowledged by the President on behalf of the United States of America.

#### ARTICLE VII

In the final determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics in return for aid furnished under the act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of worldwide economic relations. To that end, they shall include provision for agreed action by the United States of America and the Union of Soviet Socialist Republics, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the joint declaration made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom, the basic principles of which were adhered to by the Government of the Union of Soviet Socialist Republics on September 24, 1941.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated ob-

jectives by their own agreed action and of seeking the agreed action of other like-minded Governments.

I shall read my amendment:

Page 2, after line 11, insert the following: "Sec. 3. Subsection (b) of section 3 of the act of March 11, 1941, as amended, is amended by inserting '(1)' after '(b)' and by adding at the end thereof the following new paragraph:

"(2) Nothing in paragraph (1) of this subsection shall be construed to authorize the President to enter into any final settlement with respect to the disposition, other than the return to the United States, of defense articles in the possession of any government of any foreign country and not necessary to the defense of such foreign country until the terms and conditions of such settlement shall have been submitted to the Congress and approved by a concurrent resolution of the two Houses."

Mr. CASE. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I shall be glad to yield to the gentleman from South Dakota.

Mr. CASE. In listening to the reading of the amendment which the gentlewoman proposes I notice it refers to a particular subsection; that nothing in that subsection shall be construed as giving the President authority to make any settlement without the approval of Congress.

Mrs. ROGERS of Massachusetts. That is the subsection that gives him authority to leave in a country, if he wishes, or transfer, if he wishes, stock piles of defense articles from one country to another and allow that country to transmit goods or sell it or do anything else with it.

Mr. CASE. It is clear then as to the meaning of this amendment that it would prevent the President from incurring any agreement under any power anywhere in the lend-lease program without the approval of Congress, pertaining to the final settlement.

Mrs. ROGERS of Massachusetts. The gentleman doubtless knows that the Committee on Foreign Affairs accepted the following amendment which reads as follows:

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "": *Provided, however*, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic or post-war military policy except in accordance with established constitutional procedure."

That amendment affects settlement of our post-war economic and post-war military policies.

My amendment refers to the final settlement insofar as defense supplies are concerned. There are very large stock piles of airplanes, tanks, and other materials of war in certain countries. I believe there are ships. We want to make sure that those countries at some time or another are not going to use those materials of war against us or against some other country that we feel should be protected not only for its own sake but for our own protection.



Mr. CASE. I think the purpose of the amendment is distinctly good. I just wanted to be sure that the reference there to the particular subsection did not limit it to a portion of the final agreements instead of to any power the President might have with respect to final agreements.

Mrs. ROGERS of Massachusetts. I think that is the part that gives the President the authority. The President now has the authority to bring back the goods or leave them in the countries where they now are. I think that is a very dangerous thing. Nobody knows what is going to happen after this war is over. This Nation stood by among other nations and watched Germany arm and arm and arm and arm.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. Is the amendment the gentlewoman is now discussing the amendment with reference to disposing of surplus lend-lease property?

Mrs. ROGERS of Massachusetts. It is with reference to surplus lend-lease property after the war is over, and it may not be after the war is over. It might be that one country would make a separate peace. Certainly then this would serve as a great protection to the United States.

Mr. LUTHER A. JOHNSON. This is the same amendment discussed yesterday?

Mrs. ROGERS of Massachusetts. The same amendment discussed yesterday, although I have gone into the wording of the amendment today. Yesterday I did not give the exact words.

Mr. LUTHER A. JOHNSON. Is the gentlewoman going to put in the RECORD the amendment as she proposes to offer it?

Mrs. ROGERS of Massachusetts. I have just read it, and I am going to ask that the printed copy of the amendment go into the RECORD. I think it would be a great protection. I said yesterday that plenty of veterans who are now fighting, who are now in the service of our country, have been very much interested in a provision of this sort. They are suffering today because of lack of foresight on the part of the Government. They want to take no chances after this World War.

Mr. KNUTSON. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Minnesota.

Mr. KNUTSON. On yesterday I interrogated the distinguished chairman of the committee as to how much had already been spent under lease-lend, and I understood him to say \$22,000,000,000. I have since been informed by another member of the committee that it is \$27,000,000,000. A difference of \$5,000,000,000 these days is not much. Can the gentlewoman give us some definite information as to that?

Mrs. ROGERS of Massachusetts. I should like to get that definite information. I do not have it here at the desk at the moment. I think the definite information so far as possible should be given to the House. I shall try to have

what is available inserted in my speech.

Mr. BLOOM. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New York.

Mr. BLOOM. Did I correctly understand the gentlewoman to say she has been trying to get the information and could not get it?

Mrs. ROGERS of Massachusetts. I said it was difficult for Members of Congress to get it.

Mr. BLOOM. The gentlewoman certainly knows that the amount of money that has been appropriated for lend-lease is \$24,000,000,000.

Mrs. ROGERS of Massachusetts. I do not have the figures before me. I shall ask to have them inserted in the RECORD as a part of my remarks.

Mr. BLOOM. They are available in the office of the Committee on Appropriations. I think the gentlewoman would find if she investigated that the amount of money that has been spent and allocated up to the present time under lend-lease is \$22,000,000,000. In ref-

erence to the question asked by the gentleman from Minnesota, I do not see how more can be expended than was appropriated, because I think there is a law against that; in fact, I know there is. So the amount of money that has been appropriated up to the present time, and which I put in the RECORD yesterday, is \$24,000,000,000.

Mr. KNUTSON. The laws limiting any action of this administration are more honored in the breach than in the observance. Of course the gentleman knows that.

Mr. BLOOM. Only \$24,000,000,000 is appropriated under lend-lease. Twenty-two billion dollars has been spent and allocated up to the present time, according to the records. I hope the gentleman from Minnesota and the gentlewoman from Massachusetts will take that statement as being correct.

Mrs. ROGERS of Massachusetts. The following is a table which appears on page 197 of the lend-lease regarding authorizations and transfers authorized from other appropriations.

#### Lend-lease appropriations

[Millions of dollars]

Category	Amounts appropriated					Adjusted appropriations Dec. 31, 1943	Percent change in appropriations <sup>1</sup>
	First appropriation	Second appropriation	Third appropriation	Fourth appropriation	Total		
1. Ordnance and ordnance stores.....	1,343	1,190	-----	-----	2,533	1,692	-33.2
2. Aircraft and aeronautical material.....	2,054	685	-----	-----	2,739	2,680	-2.2
3. Tanks and other vehicles.....	362	385	129	-----	876	739	-15.6
4. Vessels and watercraft.....	629	850	734	1,553	3,766	3,872	+2.8
5. Miscellaneous military equipment.....	260	155	-----	-----	415	354	-14.7
6. Production facilities in United States.....	752	375	112	-----	1,239	1,105	-10.8
7. Agricultural and industrial commodities.....	1,350	1,875	3,567	4,452	11,244	12,609	+12.1
8. Servicing, repair of ships, etc.....	200	175	208	259	842	791	-6.1
9. Services and expenses.....	40	285	675	-----	1,000	800	-20.0
10. Administrative expenses.....	10	10	-----	9	29	29	0
Total.....	7,000	5,985	5,425	6,273	24,683	24,671	-.05

<sup>1</sup> The Lend-Lease Appropriation Acts provide that with the exception of the appropriation for administrative expenses, up to 20 percent of the consolidated appropriation for any category may be transferred by the President to the consolidated appropriation for any other category, but no consolidated appropriation may be increased by more than 30 percent. The Fourth Lend-Lease Appropriation Act provided an exception in the case of ordnance and ordnance stores; certain transfers could be made from that category to agricultural and industrial commodities.

#### AMOUNTS OF LEND-LEASE AID AUTHORIZED

The amount of lend-lease aid that may be provided under the various acts is summarized as follows:

##### I

#### Lend-lease appropriations to the President

First lend-lease appropriation.....	\$7,000,000,000
Second lend-lease appropriation.....	5,985,000,000
Third lend-lease appropriation (fifth supplemental, 1942).....	5,425,000,000
Fourth lend-lease appropriation.....	6,273,629,000
Total.....	24,683,629,000

##### II

#### Transfers authorized from other appropriations

Direct appropriations have been made to the War and Navy Departments and to the Maritime Commission for the procurement of items which are in the main common to the uses of our own armed forces and those of our allies. These items when produced can be used, in other words, by our own armed forces or those of our allies in the manner in which they can be most effective in defeating our common enemies. It is not until they are

ready for distribution that they are allocated by the military experts in accordance with the strategic needs. The appropriation acts in question authorize transfers to our allies up to stated amounts under the Lend-Lease Act. That does not mean that transfers up to the stated amounts have to or will necessarily be made. All that it means is that there is sufficient flexibility for the military experts to assign the supplies where they will do the most good in winning the war.

War Department, third supplemental, 1942.....	\$2,000,000,000
War Department, fourth supplemental, 1942.....	4,000,000,000
War Department, fifth supplemental, 1942.....	11,250,000,000
War Department, sixth supplemental, 1942.....	2,220,000,000
War Department, Military Appropriation Act, 1943.....	12,700,000,000
Navy Department, second supplemental, 1943.....	3,000,000,000
Departments other than War, third supplemental, 1942.....	800,000,000
Total.....	35,970,000,000

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.



Mr. BLOOM. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

(Mr. PHILBIN asked and was given permission to revise and extend his remarks in the RECORD.)

[Mr. PHILBIN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. EATON. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, there seems to be a great deal of confusion about this whole question of lend-lease and what it has done and what it is proposed to do.

On yesterday I interrogated several speakers, among them the chairman of the committee the gentleman from New York [Mr. Bloom], and the gentleman from New York [Mr. Wadsworth]. I understood the chairman to say in reply to a question of mine that only \$22,000,000,000—I should not say “only,” because \$22,000,000,000 is a lot of money—has been released under the operation of the lease-lend law. I do not know why we call it lease-lend, because we shall never see any of it again. We are neither lending or leasing, we are giving it.

The point raised by the gentleman from Missouri [Mr. Cole] on yesterday as to whether there would be a danger of our associate nations charging us rent for storage of this property after the war is over evoked some smiles on the majority side, but it would not surprise me in the least if some of our associate nations would present us with a bill for storage after the war is over.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my good friend from Michigan.

Mr. WOODRUFF of Michigan. May I ask the gentleman if he has ever heard anything from this administration or from any part of it that would indicate that these people would ever be called upon to reimburse us even in part for the expenditures we are now making?

Mr. KNUTSON. I think they have been assured that they do not need to pay us back, that “Uncle Sap” does not expect them to pay us back. Of course, this war is costing us anywhere from 25 to 40 percent more than it should. I want to read to the House a little extract taken from an address delivered by Dr. George Mecklenburg at the Wesley Church in Minneapolis on Sunday, March 19. This appears in the Wesley News. I may say that Dr. Mecklenburg enjoys a splendid reputation in our part of the country. He is one of our outstanding clergymen. He was rather strong for intervention, as I recall. I think he castigated me several years ago because I was not so feverish to get into this war, which, of course, is merely a continuation of World War No. 1.

Let me read what Dr. Mecklenburg, who just returned from a trip to Latin America, said:

Coming down through southern Mexico on the Vera Cruz-Tapachula Railroad, I got an earful about American extravagance. They

told me that the United States was spending \$200,000,000 on that railroad, and it is a Mexican railroad belonging to the Government. Mexico has plenty of money to repair her own railroads now, yet we are down there doing it for them. Senator HUGH BUTLER, after travelling 20,000 miles through Latin America, comes home and attacks our good-neighbor policy. He says, “We have appropriated \$6,000,000,000 for Latin America, to be spent in 3 years.”

I recall that statement very well. It was challenged by the New Deal proponents, but before Senator BUTLER got through with them he convinced the country that he knew what he was talking about, and he furnished us with audited figures to show that what he said was true.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield at this point?

Mr. KNUTSON. Yes.

Mr. WOODRUFF of Michigan. I might say to the gentleman that when Senator BUTLER finally employed a firm of very eminent accountants and had gone over the figures he found that the 3-year program that he had spoken about called for an expenditure of \$8,000,000,000 instead of \$6,000,000,000.

Mr. KNUTSON. I am not surprised.

Mr. BLOOM. Mr. Chairman, will the gentleman yield to me, please?

Mr. KNUTSON. Why, certainly, Mr. Chairman.

Mr. BLOOM. Mr. Chairman, I would like to ask the gentleman this question. Does the gentleman mean to say that the amount of money that he just mentioned as being expended in other parts of the world is being expended under lend-lease, or is it an entirely different thing that the gentleman is speaking of?

Mr. KNUTSON. I am talking about American money being expended in other countries.

Mr. BLOOM. But the gentleman will admit this is not lend-lease money he is talking about?

Mr. KNUTSON. It is American money. It is money that is wrung from the taxpayers. It is money squeezed from the pockets of our people.

Mr. BLOOM. The gentleman knows it is not lend-lease money.

Mr. KNUTSON. It is not a part of the economy program that the President promised the American people back in 1932.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly, if the gentleman from New York is through.

Mr. WOODRUFF of Michigan. I quite agree with the chairman of the Committee on Foreign Affairs, the gentleman from New York [Mr. Bloom] that only a small part of it is a part of lend-lease, but nevertheless it shows the length to which this administration will go in wartime in the reckless waste and squandering of public money in every corner of the world.

Mr. KNUTSON. Why, lend-lease is not the only tap on the Federal Treasury. We are showering American gold all over the world. In one locality we use the lend-lease nozzle. In another locality we use the good-neighbor nozzle. But the nozzles are going all the time

and it is not to be wondered at that Uncle Sam is now taking 33⅓ percent of every dollar we earn for Federal taxes, which does not take into consideration the taxes of the other political subdivisions.

Mr. SCHIFFLER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. SCHIFFLER. The gentleman seems to be somewhat at a loss as to the actual amount of money available under lend-lease and the amount that has been expended.

Mr. KNUTSON. I do not think I am any more at a loss than some of the members of the committee.

Mr. SCHIFFLER. Let me read to you now from the hearings, from a schedule supplied in those hearings, on page 197. The actual amount, according to the schedule supplied by the Lend Lease Administration as of January 31, allocated in the sum of \$22,247,335,000. The amount of lease-lend aid authorized and set up in this schedule by direct appropriation amounts to \$24,683,629,000. By transfers from other appropriations \$35,970,000,000.

Mr. KNUTSON. Do I understand that there have been transfers to lend-lease of funds totaling \$35,000,000,000 from other funds?

Mr. SCHIFFLER. They are the authorizations for transfers from the War Department and Navy Department funds, aggregating \$35,970,000,000.

Mr. KNUTSON. Most amazing.

Mr. BLOOM. Mr. Chairman, will the gentleman yield to me?

Mr. KNUTSON. Yes.

Mr. BLOOM. That is nothing new. That is what I put in the RECORD yesterday. The figures are correct and there is no secret about it. It has been open to the committee and it is open to the world, so there is nothing secret about it.

Mr. SCHIFFLER. I am not indicating it has been a secret. I am merely giving the figures to the gentleman who seems to have made some inquiries about them.

Mr. BLOOM. I put them in the RECORD yesterday.

Mr. SCHIFFLER. Then in addition to that, I might say there is approximately \$2,000,000,000 that has been transferred from the Maritime Commission, making a total of something like \$63,000,000,000 available under lend-lease for mutual aid or whatever term is used to describe it.

Mr. KNUTSON. I would say lend-lease funds seem to have a very high velocity.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Michigan.

Mr. WOODRUFF of Michigan. I think the gentleman has taken care of the situation very nicely, so I will withhold any further remarks I have at this time.

Mr. KNUTSON. I want to read a little further, if I may. Dr. Mecklenburg goes on and quotes Senator BUTLER as follows:

He says that we have appropriated \$6,000,000,000 for Latin America to be spent in 3 years. He goes into details about it. He speaks of a sanitation project in Guatemala



City which will cost us \$750,000 and the Guatemalan Government only \$19,000. He speaks of a road-building project for unemployment in San Salvador to give employment to 2,000 men. I know in the Senate investigating committee this project was denied, but I talked to the man who had charge of it. He was an American. He told me that Senator BUTLER told the truth. Senator BUTLER says that we are spending one-half a million dollars in Honduras, while the state only puts in \$7,360 to match it. Two hundred health centers financed and projected by America are under way in Latin America now. This may be fine missionary work and if we agree to do it it must be all right. But certainly we Americans knew nothing about it.

He is talking about us Americans here at home.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. BREHM. Does the gentleman feel that good will is being built up in South America?

Mr. KNUTSON. Oh, I think we could build up just as much good will if we set up 500 Christmas trees strategically placed.

Mr. BREHM. Last summer in my home town, Dr. O. B. Foster, an authority on Latin-American affairs, told a local audience that our neighbors to the south still distrust us despite the New-Deal generosity with John Q. Public's money.

Mr. KNUTSON. Yes; I will come to that in just a few minutes.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Let me get this little gem in, Mr. Chairman, if you please, and then I will be glad to yield.

Dr. Mecklenburg goes on as follows:

I was told in Guatemala when we built the military camp there we started to pay such high prices for everything that President Ubico had to step in and put a ceiling on wages and prices so as not to demoralize the finances of the republic.

They do not say anything about demoralizing the morale of the people, but that would follow, of course.

I yield to the gentleman from New York [Mr. BLOOM] for whom I have a very high regard.

Mr. BLOOM. I thank the gentleman very much. It is mutual. Speaking about the highways in San Salvador, that is the Pan-American Highway that was voted upon by this Congress. I think the gentleman voted for it years ago. That is where that money is being expended. It has nothing to do with lend-lease.

Mr. KNUTSON. I still come back to the old theme that it is American money.

Mr. BLOOM. Oh, yes; but the Congress appropriated it.

Mr. KNUTSON. And whether it is loaned out—not loaned out—that is a misnomer—whether it is given out by lend-lease or the Federal Highway Department or someone else, the taxpayer suffers just as much agony when the money is being extracted from him.

Mr. McMURRAY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; I yield.

Mr. McMURRAY. Concerning this overburdened taxpayer, would the gentle-

man care to comment upon whether or not this overburdened taxpayer has more money left after paying taxes today, say 1944, or even in 1943, than he had after paying taxes in 1932, a year that the gentleman remembers very well?

Mr. KNUTSON. Yes; of course. Yes; he has much more money because he cannot buy much of anything now.

Mr. McMURRAY. Oh! That is why?

Mr. KNUTSON. Yes. He cannot get gasoline; he cannot get sugar; he cannot buy a double-breasted suit of clothes with a vest and cuffs on the trousers; he cannot get tires unless he is related to the reigning family. Oh, yes. He should have more money because there is no place to spend it. At least when the Republicans were in power we could find a place to spend our money.

Mr. McMURRAY. But, does he not have more income?

Mr. KNUTSON. Of course he has more income, because there is no place for him to spend his income.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. BREHM. Is it not a little unfair to base income—

Mr. KNUTSON. I am so glad the gentleman from Wisconsin [Mr. McMURRAY] is having such a good laugh. It sounds like it comes from a vacuum.

Mr. BREHM. I think it is unfair to attempt to take the national income and say that we get that income raised by blood and sweat and tears. It took a war to get that income raised.

Mr. KNUTSON. Of course.

Mr. BREHM. I would rather have no income and have peace.

Mr. KNUTSON. Yes; up to the time of this war you gentlemen have heard me say through the years that there was only one way Roosevelt would solve the depression and that was through a war. That is the only way he could get rid of unemployment in this country.

Mr. DWORSHAK. Will the gentleman yield at that point?

Mr. KNUTSON. Yes.

Mr. DWORSHAK. Possibly the gentleman from Wisconsin [Mr. McMURRAY] is not aware of the fact that our national debt today is approximately 10 times what it was in 1932.

Mr. KNUTSON. Very true. Now, laugh that off.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. VURSELL. Of course, the gentleman from Wisconsin [Mr. McMURRAY] does not take into account the fact that if the taxpayer has more money now he has a national individual debt of some several thousand dollars, according to the number in his family. That was touched on by the gentleman from Idaho [Mr. DWORSHAK]. But the observation I would like to make is this, and it is in line with what the gentleman is speaking about: We have no yardstick by which we can judge the value of a billion dollars. You can say it as easily as a million, but we have lend-lease now, according to the gentleman from West Virginia, something like \$67,000,000,000. It is easy to say that, but that

is equal to twice the value of all the real estate in the United States today.

Mr. KNUTSON. That is true, and there is a priority on everything but Government bonds.

Mr. McMURRAY. Will the gentleman yield?

Mr. KNUTSON. Yes; I yield.

Mr. McMURRAY. On this point about the debt, remember that every dollar of public debt also represents in the pockets of certain American people, that much assets. We are no worse off, as a total economy, because we have that debt, because the debt is property in the vaults of your own banks and of your own accounts, and if you cancel the public debt completely—do not misunderstand me on this—if you cancel that public debt completely you would not increase the wealth or decrease the wealth of the United States of America one cent. You would merely redistribute the wealth.

Mr. KNUTSON. How about the people?

Mr. McMURRAY. Some people would gain and some would lose. You take the money out of one pocket and put it into another pocket, but the two pockets are in different pairs of pants.

Mr. KNUTSON. I know the President says our national debt is not a debt because we owe it to ourselves.

Mr. McMURRAY. I did not say it was not a debt. I said it was a debt owed by all of the people to some of the people.

Mr. KNUTSON. The gentleman is giving utterance to a very interesting, if not new philosophy of economics. It is the kind one would expect to come out of the University of Chicago.

Mr. McMURRAY. The gentleman cannot find an economist in the country that will disagree with what I have said.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. CURTIS. I think the gentleman from Wisconsin [Mr. McMURRAY] should bear in mind that when a nation loses its self-respect, it is indeed a poor nation. That is what can happen by going on and on and on with the debt.

Mr. McMURRAY. But the gentleman never suggested that we lose our self-respect or that we do not pay our debts. Do not read into my remarks something I did not say. I was merely trying to explain the economic basis of this.

Mr. KNUTSON. I think the gentleman from Nebraska [Mr. CURTIS] misunderstood the gentleman from Wisconsin [Mr. McMURRAY]. What the gentleman from Wisconsin said is that if the Government were to repudiate its bonded indebtedness, nobody would lose anything.

Mr. McMURRAY. No. The gentleman did not say that.

Mr. KNUTSON. If I can understand the English language, that is what the gentleman said.

Mr. McMURRAY. The gentleman did not say that.

Mr. KNUTSON. Will you please say what you did say.

Mr. McMURRAY. I will say it, and I will say it so simply that it will be understood even on this floor.



Mr. KNUTSON. I thank the gentleman. I am very simple-minded.

Mr. McMURRAY. I said that if this debt were repudiated—let us assume the debt is \$300,000,000,000—if the debt is repudiated, all the American people would gain \$300,000,000,000 all of them put together, and some of them would lose the \$300,000,000,000, which is represented by the bonds they now own.

Mr. KNUTSON. I get you. It is a bookkeeping transaction.

Mr. McMURRAY. All right. Put it this way. There would be as much gain to all of the people as there would be loss to the specific holders of the bonds.

Mr. CURTIS. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. CURTIS. That was my point. If America repudiates her debt we have lost our self-respect and we are indeed a poor nation.

Mr. McMURRAY. But I did not suggest repudiation.

Mr. CURTIS. But you said it would not hurt us.

Mr. McMURRAY. No; I did not say that.

Mr. KNUTSON. I got the impression that no one would be hurt if we repudiate our debt.

Mr. McMURRAY. No; I did not want to give that impression. Some people would get hurt badly.

Mr. KNUTSON. The gentleman is a mind reader.

Mr. McMURRAY. No. I said—let me repeat—I said it would not increase or decrease the national wealth by one penny, and that is an economic truth.

Mr. KNUTSON. Therefore, no one would be injured.

Mr. McMURRAY. No; I did not say that.

Mr. KNUTSON. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. What I would like to know is what is happening to the material wealth of the Nation, all the vital materials that we are disposing of, in the transaction the gentleman mentioned.

Mr. KNUTSON. You had better take a trip with lend-lease and find out what is becoming of our material wealth.

But I want to read further. I will not take much more time. I surely appreciate the gentlemen's indulgence.

Now, let us get back to Dr. Mecklenburg's remarks. He says:

What the South American hates about this lend-lease business, giving them \$2,000,000,000 a year, is just that. It makes America the giver and Latin America the receiver. It puts them in a lower class, and they hate it. They like our money. They receive it, and much of this money is doing good, but all the same, they hate it. It is impossible to make friends by lend-lease.

That brings me back to the theory, may I say to my good friend from Wisconsin who has been an ardent advocate of the good-will policy, that I think we could accomplish more for an infinitesimal fraction of what it is costing us if we were to install Christmas trees at strategic points over Latin America, strung with popcorn and other delectable things that used to appeal to our

childhood hearts. You remember how thankful we used to be on Christmas morning when we could take an apple off the Christmas tree instead of having to bob for it in a bucket of water.

Mr. McMURRAY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly.

Mr. McMURRAY. Does not the gentleman seriously, in his attack on lend-lease—

Mr. KNUTSON. I am not attacking; I am merely taking the cover off to see what makes it smell.

Mr. McMURRAY. Does the gentleman believe we would have been better off if we had not sent 8,000 airplanes to Russia to be flown against the Germans on the Russian front? Does the gentleman think we should have kept those 8,000 airplanes home?

Mr. KNUTSON. I think we would have been much better off if we had sent 2,000 of them over to Bataan and Pearl Harbor.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Please do not interrupt this delightful colloquy.

Mr. BLOOM. I do so because I regret to say I do not enjoy the comedy; lend-lease is too serious.

Mr. KNUTSON. I admit it is serious to those who are in this fight; it is also very serious to we who are paying for it.

Mr. Chairman, I yield back the balance of my time, for I have no desire to trespass on the good will or the time of the House.

Mr. BLOOM. Mr. Chairman, I yield myself 1 minute.

The CHAIRMAN. The gentleman from New York is recognized for 1 minute.

Mr. BLOOM. The gentleman made a statement with reference to South America. I stated yesterday, and I want to say it again—and I want to have the attention of the gentleman from Minnesota—I should like to state, Mr. Chairman, for the benefit of the Committee and for the Record, especially for the benefit of the gentleman who just relinquished the floor, that the amount of money expended in South America under lend-lease was \$127,000,000. During 1941, 1942, and up to the present time, however, South America has bought from the United States \$2,300,000,000 worth of merchandise.

Mr. Chairman, I believe it is very unfair to try to place our friendly neighbors to the south in the position with reference to lend-lease that the gentleman from Minnesota just did, to emphasize what they are getting from us, when they have bought \$2,300,000,000 of goods from us. They have received under lend-lease \$127,000,000. I want the Record to show the situation with reference to our neighbors to the south.

Mr. EATON. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. Woodruff].

Mr. WOODRUFF of Michigan. Mr. Chairman, the debate during the past few minutes has been very illuminating. I happen to have the information relative to our expenditures in South America. I believe the greater part of the

lend-lease money that has been expended down there has been for airfields which are helpful to us in the war effort. Is that correct? I ask the gentleman from New York.

Mr. BLOOM. I do not know; I have not the figures at hand, but I agree with a great deal of what the gentleman has said. Much of this money was spent in Panama, I believe. That does not show in this picture because it comes under the heading of protection of the Panama Canal. Most of the airfields were built in the jungles of Panama.

Mr. WOODRUFF of Michigan. I may say to the gentleman that I do not believe the expenditure of money to which we refer contemplates any of the airfields built within the Panama Canal Zone. I believe all of the airfields that have been built outside of the Canal Zone have been included in the hundred-and-some million dollars from the lend-lease fund, the gentleman mentioned. I believe it is a perfectly proper expenditure. No one can question the expenditure of any part of the lend-lease fund that goes for an actual and direct help in the war in which we are now engaged; and certainly no one can change the fact that the building of airfields in South and Central America has been help of that type. So far as that is concerned, I am in complete agreement. But I do want to say that the expenditure of a sum of nearly eight billions of dollars in a 3-year program of W. P. A. projects out of funds entirely removed from lend-lease or war activities in South and Central America or even to attempt to spend this additional amount at a time when we are called upon to spend such vast sums for war purposes is unconscionable and something the people of this country ought not to tolerate. Such spending at a time like this, such planning, it seems to me, can be the product of nothing less than disordered minds.

(Mr. KNUTSON asked and was given permission to revise and extend his own remarks.)

Mr. BLOOM. Mr. Chairman, I yield myself 1 minute.

The CHAIRMAN. The gentleman from New York is recognized for 1 minute.

Mr. BLOOM. Mr. Chairman, if I may have the attention of the gentleman from Michigan [Mr. Woodruff], I should like to call his attention to page 8 of the committee report, where he will find a full explanation with reference to lend-lease aid extended in South America. He will find it very enlightening. I shall read one paragraph from it. I should like to read all, but time does not permit. I hope the gentleman will read the balance of it himself, for I believe if he will do so he will get the information he is seeking:

Substantially all lend-lease shipments to the other American republics have been military equipment such as tanks, guns, airplanes, and small naval vessels. In addition, small amounts of essential equipment and materials have been shipped for the production of munitions. The lend-lease program for the American republics is designed to strengthen the Western Hemisphere defenses, and the schedule of munitions to be supplied to the



American republics was approved by the Chief of Staff of the United States Army, the Chief of Naval Operations, and the Secretary of State.

I may say to the gentleman from Michigan that there are other explanations in the report with reference to South America that I know he will find very enlightening and interesting.

Mr. WOODRUFF of Michigan. I may say to my friend from New York that I shall be pleased to read the report. On the other hand, however, does the gentleman claim that all of our expenditures in Central and South America have been approved by our Chief of Staff?

Mr. BLOOM. Does the gentleman refer to lend-lease or to all expenditures?

Mr. WOODRUFF of Michigan. I refer to all the expenditures to be made by this administration in the Central and South American republics during the current 3-year program.

Mr. BLOOM. For military purposes, yes. There are other things that we are doing down there; we are helping to build the Pan-American Highway and other things; but all things of a military nature that come under lend-lease, let me say to the gentleman, have been approved by the military authorities.

Mr. WOODRUFF of Michigan. Let me say to the gentleman that I approve every penny of expenditure of lend-lease funds that goes for actual help toward the war effort.

Mr. BLOOM. I am glad to hear the gentleman say that.

Mr. WOODRUFF of Michigan. The gentleman has brought up the question of military equipment supplied to the Central and South American republics. I cannot see how that will be very helpful to us in this war, and I am not sure that the Chief of Staff has approved every one of those items.

Mr. EATON. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I desire to revise and extend my own remarks at this point in the RECORD. I suppose permission to include letters, telegrams, and so forth, including a couple of letters from Drew Pearson, I would have to obtain in the House.

The CHAIRMAN. The gentleman from Michigan will have to get that permission in the House. If the gentleman wishes to extend his own remarks on this bill at this point he may ask for such consent.

Mr. HOFFMAN. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. If I did not extend my remarks, I suppose I could read those letters, could I not?

The CHAIRMAN. If time were yielded to the gentleman from Michigan, he could read them with the consent of the Committee.

Mr. HOFFMAN. Does the Chair mean I would actually have to read them?

The CHAIRMAN. Does the gentleman propound a unanimous-consent request to extend his own remarks at this point in the RECORD?

Mr. HOFFMAN. I do, Mr. Chairman. The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

[Mr. HOFFMAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Mr. Chairman, I obtained permission before the House went into the Committee of the Whole to revise and extend my own remarks and to include certain telegrams, letters, and newspaper articles. Could those come in at this point, or will I have to make that request again?

The CHAIRMAN. The present occupant of the chair is only Chairman of this Committee, but the Chair believes the gentleman has permission if he obtained it in the House.

Mr. HOFFMAN. To put them at this point?

The CHAIRMAN. No; not at this point.

Mr. HOFFMAN. Mr. Chairman, can I raise a question of personal privilege in the Committee of the Whole, or do I have to wait until we go back into the House?

The CHAIRMAN. That cannot be done in the Committee of the Whole.

Mr. BLOOM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAGNUSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4254, to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended, had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. PHILBIN]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to include part of a report of the commanding general of the Army Air Forces pertaining to the Far East to immediately follow the remarks I made today.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. MANSFIELD]?

There was no objection.

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Flathead Monitor of Thursday, June 10,

1943, concerning the proposed Hungry Horse Dam.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. MANSFIELD]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McMURRAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Milwaukee Journal.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. McMURRAY]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon and to include therein articles V, VI, and VII of the master agreement with Russia, which is a sample agreement made with all the other countries under lend-lease; also certain paragraphs of the original Lend-Lease Act; also certain material from the hearings on lend-lease which gives the amount of money which has been expended for lend-lease and that has been transferred from other departments to lend-lease, and if I can get the record, I want to include information regarding the amount of supplies, not in dollars and cents, that have been transferred from other departments to lend-lease.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mr. CALVIN D. JOHNSON. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DIRKSEN] may be permitted to extend his own remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. CALVIN D. JOHNSON]?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. LEWIS asked and was given permission to extend his own remarks in the RECORD.)

#### PARLIAMENTARY INQUIRY

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, the gentleman from Wisconsin [Mr. McMURRAY] just obtained unanimous consent to extend his own remarks in the RECORD. I notice in looking at them there on the desk of the official reporters there are some charges against other Members of this body. Is there any way now that I can object or must I wait until tomorrow and ask to have them stricken?

The SPEAKER. The gentleman has already received permission to extend his remarks in the RECORD.

Mr. HOFFMAN. If that is the ruling, and I understand it is a correct ruling,







OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

78th-2d, No.68

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued April 20, 1944, for actions of Wednesday, April 19, 1944)

(For staff of the Department only)

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HOUSE

1. LEND-LEASE. Passed, 334-21, with amendments H.R.4254, to extend the Lend-Lease Act for one year (pp. 3628-43). Agreed to an amendment by Rep. Bloom, N.Y., to the Committee amendment to provide that no post-war economic policy, post-war military policy, or post-war policy involving international relations shall be made except in accordance with established constitutional procedures (pp. 3628-37). Rejected amendments by Rep. Rogers, Mass., 97-124, to prohibit the disposition or transfer of surplus defense materials to or between foreign countries without Congressional approval (pp. 3637-42) and by Rep. Lemke, N. Dak., to prohibit the use of lend-lease funds in any country "not actively engaged in war against Germany or its allies" (pp. 3642-3).
2. FORESTRY. Agreed to the resolution providing for consideration of S. 45, to increase from \$2,500,000 to an eventual \$9,000,000 the annual appropriation authorization for cooperative forest-fire protection on private and State lands (pp. 3644-7).
3. POST-WAR PLANNING. Rep. Lanham, Tex., discussed the hearings just released by the Public Buildings and Grounds Committee on post-war planning (p. 3627).
4. BANKING AND CURRENCY. Rep. Smith, Ohio, criticized the so-called Keynes-Morgen-thau international currency-stabilization scheme (pp. 3627-8).
5. SELECTIVE SERVICE. Rep. Curtis, Nebr., criticized the "muddling of the selective-service rules" which have "created a state of confusion" (p. 3628).
6. PERSONNEL. Received Civil Service Commission's proposed bill "to bring about uniformity and coordination in the allocation of field positions to the grades of the Classification Act of 1923." To Civil Service Committee. (p. 3649.)
7. FLOOD CONTROL. Received War Department's flood control survey report on the Santa Monica and Kenter Canyons, Calif. To Flood Control Committee. (p. 3649.)

SENATE

NOT IN SESSION. Next meeting Fri., Apr. 19.



ITEMS IN FEDERAL REGISTER April 19, 1944

8. PRICE CONTROL. OPA's orders on machines and parts, natural menthol, oats, barley, and grain sorghums.
9. RATIONING. OPA's orders on tires and tubes.
10. PATENTS. Patent Commissioner's regulations with respect to the register of Government interest in patents (pp. 4159-60).
11. PURCHASING. RFC's, Procurement Division's, and War Department's notices concerning renegotiation of contracts (pp. 4129, 4160).  
War Contracts Price Adjustment Board's renegotiation regulations for fiscal years ending after June 30, 1943 (pp. 4135-59).
12. MILK MARKETING. Asst. to the War Food Administrator's order terminating the license for milk in the Twin Cities, Minn., sales area (p. 4166).

BILL INTRODUCED

13. ELECTRIFICATION. By Rep. Bradley, Mich., H.R. 4633, authorizing the construction of certain hydroelectric power facilities on the St. Marys River, Mich. To Rivers and Harbors Committee. (p. 3649.)

ITEMS IN APPENDIX

14. PRICE CONTROL. Speech in the House by Rep. Gavin, Pa., criticizing the number of attorneys employed by OPA (pp. A2009-10).  
Rep. Hess, Ohio, inserted Ohio associated ration boards' recommendations for changes in OPA operations (pp. A2010-1).  
Rep. Kilburn, N.Y., inserted D. E. Huddleston's (Malone, N.Y., Ration Board) letter criticizing OPA regulations (pp. A2021-2).
15. PROPERTY MANAGEMENT. Extension of remarks of Rep. Patman, Tex., on the disposition of surplus war materials, and including War Mobilization Director Byrnes' address on this subject in which he states, "Our surplus supplies must be disposed of at a fair price, and as rapidly as possible" (p. A2010).
16. LEND-LEASE. Extension of remarks of Rep. Smith, Wis., criticizing reverse lend lease operations (p. A2011).  
Extension of remarks of Rep. Reed, N.Y., criticizing the present Lend-lease Act (pp. A2013-4).  
Rep. Burgin, N.C., inserted a Columbus (Ohio) Enquirer editorial, "Lend-Lease Program Should Be Continued" (p. A2014).
17. RECLAMATION; FLOOD CONTROL. Extension of remarks of Rep. Mansfield, Mont., including an editorial favoring H.R. 3570, to provide for the construction of the Hungry Horse Dam project (p. A2014).
18. EXPENDITURES. Extension of remarks of Rep. Plumley, Vt., criticizing lend-lease expenditures and "New Deal...wastefulness and extravagant spending" (pp. A2025-6).  
COMMITTEE HEARINGS Released by G.P.O.
19. POST-WAR PLANNING. S. 1730, to create an office of demobilization; S. 1823, to establish an office of war mobilization and adjustment; and S. 1718, to provide for the settlement of claims arising from terminated war contracts. (Pt. 13 of the hearings on "Problems of Contract Termination"). Senate Military Affairs Co.
20. WOOL SITUATION. House Agriculture Committee.



there may be some question as to the certified copies. McWilliams' material is so common throughout the country you can almost dish it up in my own office. There is nothing so personal in the Clerk's office that they cannot produce the original and avoid the question of my technicalities with respect to the admissibility of photostatic copies of something that is so common and so hate-breeding in this country.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The letter from the Clerk, together with the subpoena, will be referred to the Committee on the Judiciary and ordered printed.

#### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on the Calendar Wednesday may be dispensed with this week.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### POST-WAR PLANNING

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?  
There was no objection.

Mr. LANHAM. Mr. Speaker, the Committee on Public Buildings and Grounds, irrespective of any bill, held hearings through 2 months or more on post-war planning, in order to get factual information upon which a property policy might be predicated. We had many very prominent people from various walks of life to appear and testify before that committee, and without any expense to the Government. Those hearings have now been printed. I just want to give notice that because I believe they are especially informative and helpful a copy of the hearings will be sent to each Member of the House of Representatives. Please preserve these copies, as the supply is quite limited.

The SPEAKER. The time of the gentleman from Texas has expired.

#### ANNIVERSARY OF THE BATTLE OF THE WARSAW GHETTO

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks and insert some excerpts from two newspapers.

The SPEAKER. Is there objection?  
There was no objection.

[Mr. DICKSTEIN addressed the House. His remarks appear in the Appendix of today's Record.]

#### EXTENSION OF REMARKS

Mr. BURGIN. Mr. Speaker, I ask unanimous consent to extend my remarks and include a clipping from the Ohio State Journal.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CAPOZZOLI. Mr. Speaker, I ask unanimous consent to extend my remarks and include a poem composed by our own Horace C. Carlisle concerning our late colleague, Hon. James A. O'Leary, of New York.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a weekly news release relating to the post-war period.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

#### LAWYERS IN-O. P. A.

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?  
There was no objection.

[Mr. GAVIN addressed the House. His remarks appear in the Appendix of today's Record.]

#### EXTENSION OF REMARKS

Mr. HESS. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a letter written by a ration board to the Administrator of O. P. A.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

#### PATRIOTS' DAY

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?  
There was no objection.

Mr. GOODWIN. Mr. Speaker, on this the 19th day of April, which is a holiday in Massachusetts, it seems fitting to call to the attention of the House the fact that the city of Somerville, a portion of which is in my district, has, through its board of aldermen, passed a formal resolution asking the Judiciary Committee of the House of Representatives to report favorably upon the proposal of the distinguished gentlewoman from Massachusetts [Mrs. ROGERS] to have an annual proclamation made by the President for national observance of Patriots' Day.

The resolution is as follows:

BOARD OF ALDERMEN,  
CITY OF SOMERVILLE, MASS.,  
April 13, 1944.

Whereas it is fitting and appropriate at this time when the city government of Somerville, Mass., will again carry on the annual tradition of observing each anniversary of the first Patriots' Day; and

Whereas the city of Somerville as one of the few honored cities and towns that played so important a part on that first Patriots' Day April 19, 1775, is not only desirous of permanently preserving this privilege as provided by action of the general court of this Commonwealth, but is also concerned in

strengthening general interest and knowledge of this historic event: Be it

*Resolved*, That the members of this board of aldermen of our city government in session assembled hereby request that favorable action be taken by the Judiciary Committee at Washington on House Joint Resolution 117 of 1943, introduced into the Congress of the United States by Congresswoman EDITH NOURSE ROGERS, asking that national recognition be given to this date by authorizing and requesting the President of the United States to proclaim April 19 of each year Patriots' Day, for the commemoration of the events that took place on April 19, 1775; and be it further

*Resolved*, That copies of this resolution be forwarded to the Judiciary Committee of the Congress, to our Massachusetts United States Senators, and to Congressmen ANGLIER L. GOODWIN and JAMES M. CURLEY, and to Congresswoman EDITH NOURSE ROGERS sponsor of House Joint Resolution 117 of 1943.

CHARLES J. SULLIVAN.

I trust the Committee on the Judiciary may take prompt and favorable action upon House Joint Resolution 117 in order that our people, country-wide, in the fateful days and years which are ahead, may have prominently called to their attention annually that series of thrilling events which occurred on April 19, 1775, including the ride of Paul Revere, the battle of Lexington, and the historic and heroic stand at Concord Bridge, where was "fired the shot heard around the world."

The progenitors of the people of Somerville and adjoining communities played a prominent part in the stirring drama of destiny enacted on the original Patriots' Day. There the torch of liberty was lighted. Today, 169 years later, we are engaged in a war to prevent that light from going out. We do well to encourage a vivid remembrance of all that the 19th of April means to a freedom-loving people.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

#### KEYNES-MORGENTHAU INTERNATIONAL STABILIZATION SCHEME

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?  
There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, this coming Friday Secretary of the Treasury, Henry Morgenthau, is scheduled to hold another secret meeting with the Banking and Currency and several other House committees on the Keynes-Morgenthau international stabilization scheme. I have made a rather extensive study of this scheme, and next to the war, I believe it to be one of the most important problems confronting this country.

It is wholly of foreign origin and was first formally worked out by Lord John Maynard Keynes and was adopted practically in toto by the administration. Should this proposal go through, it will have a powerful effect in destroying the sovereignty of our Nation and forcing us to divide our standard of living with the rest of the world. This is not what our soldiers are fighting for. I shall not lose any opportunity to warn Members of



Congress and the people throughout the country of the danger to the safety and security of the United States that is involved in this un-American proposal.

#### EXTENSION OF REMARKS

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to extend my remarks and include a resolution passed by the National Grange on the St. Lawrence waterway.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a letter and resolution from a rationing board on O. P. A. regulations.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. PLUMLEY asked and was granted permission to extend his own remarks in the RECORD.)

#### SELECTIVE-SERVICE RULES

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection? There was no objection.

Mr. CURTIS. Mr. Speaker, I rise to protest the muddling of the selective-service rules by the national headquarters of the Selective Service. It has been my observation that our local draft boards and all others connected with the administration of this act have done a very good job. They have a most difficult task. But the rules and regulations that come down from Washington have created a state of confusion over the country. A great many individuals have quit their jobs, closed out their businesses, or held a farm sale, or abandoned their law practice and prepared to go into the service, only to be notified that the rules have been changed and they were not to report. A few days will go by and then they would resume their business activity again or attempt to, only to be notified once more that the regulations had been changed.

Surely it is not necessary for an individual to buy a morning paper, a noon paper, and an evening paper and then listen to the 10 o'clock news to find out where he stands in the draft. It is the opinion of the Military Affairs Committee that no new legislation is needed, but better top administration is necessary. This we must have.

The SPEAKER. The time of the gentleman from Nebraska has expired.

#### EXTENSION OF REMARKS

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a speech given by Mr. J. Edgar Hoover, Director of the F. B. I.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech delivered by myself over radio station WHN on Monday of this week.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks will appear hereafter in the Appendix.]

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a poem.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

#### CALL OF THE HOUSE

Mr. MANSFIELD of Montana. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. BLOOM. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 55]

Allen, Ill.	Fellows	May
Anderson, Calif.	Fogarty	Miller, Nebr.
Anderson, N. Mex.	Ford	Morrison, N. C.
Andrews, Ala.	Fulbright	Murdock
Arends	Fuller	Myers
Baldwin, Md.	Furlong	O'Connor
Baldwin, N. Y.	Graham	O'Neal
Bates, Ky.	Granger	Price
Bates, Mass.	Green	Reece, Tenn.
Bennett, Mich.	Gross	Rizley
Bonner	Hale	Rogers, Calif.
Boren	Hart	Russell
Bradley, Mich.	Heidinger	Sheridan
Cannon, Fla.	Hendricks	Short
Carson, Ohio	Hoch	Sikes
Carter	Hoffman	Slaughter
Chenoweth	Jarman	Sparkman
Chiperfield	Jensen	Starnes, Ala.
Coffee	Judd	Stewart
Compton	Kee	Thomas, N. J.
Dawson	Keefe	Tolan
Dies	Kennedy	Towe
Dirksen	King	Treadway
Disney	LeFevre	White
Engel, Mich.	Lewis	Wiley
Engle, Calif.	Maas	
	Manasco	

The SPEAKER. On this roll call 351 members have answered to their names; a quorum is present.

Further proceedings, under the call, were dispensed with.

#### EXTENSION OF LEND-LEASE

Mr. BLOOM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4254) to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 4254, with Mr. MAGNUSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. All time for general debate on the bill has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That subsection (c) of section 3 of an act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948."

With the following committee amendment:

Page 2, after line 3, insert the following:

"Sec. 2. Subsection (b) of section 3 is amended by striking out the period after the word 'satisfactory' and inserting the following: 'Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic or post-war military policy except in accordance with established constitutional procedure'."

Mr. BLOOM. Mr. Chairman, by direction of the Committee on Foreign Affairs, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Bloom to the committee amendment: On page 2, line 10, strike out the word "or" and insert the word "policy" and a comma, and after the words "military policy" insert the following: "or any post-war policy involving international relations."

Mr. BLOOM. Mr. Chairman, this is the amendment the gentleman from South Dakota [Mr. MUNDT], stated Monday he intended to offer. The Committee on Foreign Affairs has accepted Mr. MUNDT's amendment.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall place at the conclusion of my remarks in the RECORD, a very interesting letter from the Foreign Economic Administration concerning lend-lease aid rendered to Saudi Arabia. There has been sent to Saudi Arabia about \$3,000,000 worth of lend-lease goods, including textiles, drugs, medical supplies, tires and tubes, and motor-trucks, exclusive of 5,000,167 ounces of silver likewise to be supplied to Saudi Arabia under lend-lease to meet the urgent currency needs of that country.

In my research concerning Arabia I find that there has been no appreciable aid rendered the Allied cause by the ruler of that country. Not even a donkey or a camel was offered, apparently. We are usually not told this.

This lend-lease aid must thus be given in connection with the proposed pipe line to conduct oil across Arabia to the Mediterranean coast. It is a sort of baksheesh. There have been many conflicting reports concerning this proposed pipe line, that is estimated to cost \$150,000,000. Some tell us that the pipe line will be of advantage to us in the present war. Contrariwise, we are told, for example, by the Petroleum Industry War Council and by others of like authority, that that



pipe line could not possibly be built before the end of the war. It will cross terrain that involves the greatest amount of difficulties, it will cross desert wastes. No skilled labor will be available. All labor will have to be imported. Further, it crosses an area which no conqueror in history has ever bypassed. The Middle East has figured prominently in almost every great conflict in history, from the days of Alexander the Great, Genghis Kahn, and the Arab caliphs to the days of Napoleon and these two World Wars. No one was ever able to hold for any definite period that portion of the Near East across which that pipe line is supposed to be built. Therefore, there is inherent in this situation grave difficulties. It bristles with embarrassments.

Further, if this pipe line is not to be used in the present war, is it to be used for future wars? The distinguished gentleman from New Jersey asked a very pertinent question of the Secretary of the Navy during the hearings on the pending bill with reference to the need of protection for that pipe line. Perhaps the gentleman, who is on his feet, may want to interpolate a few remarks at this juncture in that regard, and I yield to him for that purpose.

Mr. EATON. I wonder if the gentleman is familiar with the recent reports in the newspapers that the mandate under which Great Britain occupies the Palestinian territory forbids the building of such a pipe line without the consent of the League of Nations.

Mr. CELLER. I am aware of that situation. That is one of the real inherent difficulties.

I said, Will the pipe line be used for future wars? Is it to be used in connection with the war with Japan? Let us toy with that idea a moment. The pipe line is to be built westward from the shores of the Persian Gulf to the Mediterranean Sea. If it is to be used in the Japanese war, one would imagine that efficiency would dictate the building of the pipe line eastward from the Persian Gulf to and across India and then to the Indian Ocean, so that the oil might be used by our ships which would be in the closest proximity to the Jap theater of war operations.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. BLOOM. Reserving the right to object, Mr. Chairman, may I ask the gentleman what this has to do with the legislation we have under consideration? I am afraid the gentleman is giving a wrong impression to the Committee. I should like to have him explain that this has nothing to do with the pending legislation.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. May I say to the gallant chairman of the distinguished committee having jurisdiction over lend-lease that I said at the inception of my

remarks I could conceive of no reason for this lend-lease aid unless it were a sort of baksheesh or bribe for Arabian cooperation in the building of the pipe line. We are seeking to placate Saudi Arabia by according to the king of that country and to that country lend-lease aid to the extent of \$3,000,000, together with over 5,000,000 ounces of silver. That is the excuse, beyond peradventure of a doubt, for the lend-lease. Arabia is not our ally. It has neither hindered nor helped our war effort. Arabs generally have been pro-Axis, not pro-allies. The pipe line is the reason for lend-lease to Arabia.

We are told on the one hand that we have an excessively dwindling supply of oil, that our reserves are being depleted. On the other hand, we are told that that is not the case. For example, John A. Brown, president of the Socony Vacuum Oil Co., in a recent message to the stockholders of his company, said:

We have in this country sufficient future supplies to carry on indefinitely in accordance with our high living standards and to provide for our national defense in the future. Domestic supplies can be supplemented at any time by imports of foreign crude oil, including the rich Latin-American sources.

Further, practically all the domestic oil companies who are parties to the Petroleum Industry War Council likewise say that we have a sufficient amount of crude oil and gasoline and its derivatives in this country.

This is very perplexing. One knows not where we are going in that regard. Where does the truth lie? Who has the wisdom and the knowledge to tell us, the Members of Congress, what our attitude should be with reference to this pipe line? Certainly it is not sufficient to have Mr. Ickes write an article for one of the current magazines and express his views there. Are those views official? We have some views expressed by the Secretary of the Navy who appeared before the Committee on Foreign Affairs. Various others take, in common parlance, potshots at this subject. But there has not been, as far as my research tells me, any clear-cut view as to the attitude of our administration or our Government concerning this very perplexing problem. I would like to have an answer to the question really propounded by the distinguished gentleman from New Jersey. Are we making commitments to protect that pipe line? What good will the pipe line do? Of what avail will the expenditure of \$150,000,000 be unless we are committed to the idea of keeping soldiers there and keeping our Navy nearby? American companies owned a good part of the Ploesti oil refineries in Rumania. It availed us naught to own or to have had an interest in those supplies of oil. We did not protect those Ploesti fields and refineries. Thus no supply will help us unless we prevent it from getting, as in the case of Ploesti oil, into the hands of the enemy. So there must be involved certain commitments. I think, as a coordinate branch of the Government, we are entitled to know of those commitments. We are entitled to know whether we believe in the Atlantic Charter and

the setting up of a comity of nations to prevent future wars, or whether we contemplate a future war with reference to the building of this pipe line. What is the pipe line for? Is it to be used in a future war? And if that is the case, are we throwing aside the tenets of the Atlantic Charter? Those questions I would like to have answered.

Furthermore, it is charged in an article by Henry J. Taylor, Scripps-Howard staff writer, that King Ibn Saud is backing out of the deal we made with him. He is playing the United States off against Britain. He reports that the senatorial committee investigating the oil deal has found that after getting \$63,250,000 from United States oil companies and under lend-lease arrangements, the Arabian monarch has begun to make advances to Britain. He notified the American minister that if the oil pipe-line operations would be conducted by the United States Government, he would prefer closer oil relations with Britain, although she has no concessions in his country. Ibn Saud has already appointed a British petroleum adviser to guide him, and is about to appoint a British financial adviser.

Thus, at the very inception of our negotiations for this pipe line, we are getting involved pretty deeply in diplomatic intrigue and "power politics."

I am not for or against this pipe line. I want information about it. One cannot make up one's mind unless the facts are known. What are the facts?

We are apparently embarking upon a new Middle East policy. According to reports in the press, some way or other, we, the American Government, have paid twenty-five millions to King Ibn Saud. I have seen no confirmation of this, but, doubtlessly, money or lend-lease has been turned over to Ibn Saud even before the project is started.

Ibn Saud's sons visited the United States recently. Unquestionably they conveyed some promises of commitments to their father.

What effect will this pipe line have on our Palestinian Jewish-Arabian problem? Will our attitude be purely economic? Will we turn a deaf ear to the pleas of Jewish refugees, seeking entrance into Palestine? Will we turn a deaf ear to the cries of the martyred? Will we turn back the clock and deny the import of the concurrent resolution of Congress of 1922 which encouraged the Jews to think that the United States was wholehearted in its espousal of the cause of a national homeland for the Jews in Palestine? Will desire for oil and the building of this pipe line involve concessions to King Ibn Saud who opposes further immigration of Jews into Palestine, forcing the United States to deny the purposes of the Balfour Declaration and the Palestine Mandate?

Finally, is this pipe line the opening gun in the new American campaign of imperialism?

As Eliahu ben Horin implies in his article Arabian Pipe Line—A Venture in Imperialism in the current issue of World Petroleum will this pipe line bring "oil for future wars or future wars for oil"?



APRIL 11, 1944.

The Honorable EMANUEL CELLER,  
House of Representatives.

DEAR MR. CELLER: With reference to your telephone request for information as to the amounts of goods which are being furnished to Saudi Arabia under lend-lease, the Budget for the fiscal year ended June 30, 1945, provides for shipment of goods, excluding silver, to a total value of approximately \$3,000,000. The value of shipments thus far is somewhat less than this amount.

With the exception of the lend-leasing of silver, the details of which are contained in the attached statement, goods going to Saudi Arabia consist of the following: Textiles, drugs, and medical supplies, tires and tubes, motortrucks.

Of the above-mentioned items, textiles are by far the largest, accounting for approximately \$2,000,000 of the \$3,000,000 budget. We are endeavoring to aid in the establishment of commercial sales to middle eastern countries, including Saudi Arabia, and hope that the \$2,000,000 textile item will be eliminated by the use of regular commercial channels. The problem in this connection is one of foreign exchange; you will appreciate that commercial channels can only be opened if importers in Saudi Arabia are able to purchase with dollars, and at present the dollar position of Saudi Arabia does not appear to permit of this. If, however, we are successful in arranging for commercial shipments of textiles, the budget mentioned above will be reduced to approximately \$1,000,000 for the fiscal year ending June 30, 1945.

In addition to the materials lend-leased to Saudi Arabia, the United States Army operating in that theater has transferred certain military items. Details of such transfers would have to be obtained from the War Department.

I hope this information will serve your purpose. If I can be of further assistance, please do not hesitate to call upon me.

Sincerely yours,

LEO T. CROWLEY,  
Administrator.

[Attachment.]

#### STATEMENT ON SILVER LEND-LEASED TO SAUDI ARABIA

1. Last fall Saudi Arabia requested that 5,167,000 ounces of silver be supplied to it under lend-lease to meet urgent currency needs of that country. No other source of silver was available. The Treasury investigated Saudi Arabia's need for silver coinage and recommended that the 5,000,000 ounces of silver be supplied under lend-lease for this purpose from Treasury stocks of free silver.

2. Saudi Arabia has agreed to return an equivalent amount of silver within a specified period after the end of the war.

3. The Saudi Arabian coins minted from the lend-leased silver were consigned to the American Minister in Saudi Arabia, who turned them over to the proper Government officials there. It is believed that all the coins minted from the 5,167,000 ounces have arrived in Saudi Arabia.

4. Silver for essential coinage purposes has also been supplied under lend-lease—under similar agreements for return of the silver on an ounce-for-ounce basis—to the United Kingdom, Australia, the Netherlands, and India.

5. In every case the need for coinage has been carefully investigated, and the silver has been supplied only after the determination of the War Production Board that the silver was not more urgently required for essential industrial purposes in the United States.

6. The Senate Special Silver Committee has been kept advised of every lend-lease silver transaction.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CASE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, yesterday during the remarks of the gentleman from Ohio [Mr. VORYS] I made reference to a letter which I had seen, which related to the sale of some lend-lease gasoline back to the United States. I now have that letter here. It is a letter written by an American soldier stationed in Iran. It is handwritten. I have here the original envelope in which the letter came. The letter was passed by a censor. It was postmarked in the month of March 1944. For obvious reasons I shall not give the name of the soldier or the name of the censor. But the letter says the following:

Boy, I sure would like to tell what really is going on over here, but the censor might cut it out. The United States should investigate this deal over here. It is really terrible. To give you some idea of what the British pull on us, we sell them on lease-lend, for example, a 5-gallon gas can for \$2.50. We are short, so we have to buy it back on reverse lend-lease for \$55. Also clothes. We have been using a lot of these work clothes and shoes. They cost us about five times more than we sell them ours for and the Army here are buying a lot of things from the British that we supply them on lease-lend. The British have a large dump in Iraq and also India.

Now, as I said yesterday at the time I interrupted the gentleman from Ohio, I never bring up incidents of this character for the purpose of making a story or causing a little excitement. I had no intention of bringing up this letter on the floor and would not have except that discussion turned to such stories yesterday. This letter was recently handed to me by the person to whom it was addressed and whom I know. It is simply a letter by an American soldier to his former employer, who is in the oil business. This American soldier was an employee in the oil business when he was in the United States. Part of the letter deals with his hope that when the war is over he can come back and work for his former employer. I do not know but what he reports may be an isolated incident. I make no insinuations or charges for I know nothing more about the matter than is in the letter. Obviously, however, it is pertinent to a great deal of the discussion on the pending resolution, and obviously it represents this soldier's conviction. He was on the ground. And, obviously, it passed a censor who apparently thought that the information should come back to the United States.

The incident is of particular interest in view of the fact that Mr. Leo T. Crowley, the Lend-Lease Administrator, in his appearance before a committee of the House of Representatives, I suppose before the Committee on Foreign Affairs, as reported in the Christian Science Monitor of April 17, listed charges of this character, involving gasoline on reverse lend-lease as the kind of charges that are not true. I will read here a paragraph from the Christian Science Monitor of April 17, in which this citation is given of Mr. Crowley's statement:

8. Charges that Lend-Lease was selling gasoline to a foreign government for 2 cents a gallon which later the United States Army

had to buy back from that government for 42 cents a gallon.

And the Crowley comment is:

Not true. Gasoline is provided America's allies under lend-lease and provided America under reverse lend-lease.

Obviously the incident cited by this American soldier is an example of that sort but whether it is untrue or not, your opinion is as good as mine.

The Crowley comment as reported in the Monitor goes on:

Practically all of these tall tales have been traced to the Axis. But the manner in which they have been picked up by Americans and unwittingly spread to the detriment of Allied unity has caused considerable unnecessary friction and explanation, Mr. Crowley suggested.

Some years ago when I was active in the newspaper business, I found that when we reported some incident where a local personage got into trouble, somebody would come in and say, "Please do not put that in the paper." Our reply to them always was this: "It is the business of the newspapers to report news. We do not create the news. We merely report it. The best way to keep your name out of the paper is not to do these things." Similarly I would say, the best way to stop reporting of such incidents is to avoid giving any foundation for them. It is difficult for me to believe that the Axis Powers have access to this soldier to spread this tale to him. He was there on the ground. He used to be in the oil business. He ought to recognize a gasoline can and ought to know something about it. I would say in commenting on situations like this simply that it is poor administration of lend-lease if things like that are taking place and those responsible, if they do not want these incidents to come to the attention of the American people, ought not to permit them to happen. I might paraphrase: "We do not create these instances; we merely report them to the American people."

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CASE. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WRIGHT. Does the gentleman have reason to believe that such incidents actually did take place? In other words, what opportunity for knowledge does this soldier friend of yours have by reason of his position in the Army which would acquaint him with the sale price of lend-lease to the British Government or any possible retail price such as you suggested to the American Government?

Mr. CASE. This soldier, as I see by his return address on the envelope, happens to be in a unit which could be engaged in the transportation and handling of supplies. He was formerly in the oil business in this country. His letter was written to his former employer. I know his employer, but I do not know the soldier. The letter, I may say, was brought to my at-



tention at the time I was home last week, without any solicitation on my part. I had no thought of bringing it up in connection with this matter except for the fact that yesterday during the remarks of the gentleman from Ohio he referred to the damaging effect upon morale of various incidents and stories that are told. I can see, obviously, if this soldier and others like him feel these things are being carried on it does not do their morale any good. The way to get these things corrected, it would seem to me, is to bring them to the attention of the American people so they can be stopped, and they can be stopped by proper administration of the lend-lease program.

Mr. WRIGHT. Does not the gentleman know that this man would not have access to the information as to the price which the Government has charged?

Mr. CASE. I think, by the assignment that is indicated by his military organization, that he probably has access to that figure, probably more likely than he has to the figure at which the gasoline was sold or listed to the British Government.

Mr. WADSWORTH. Will the gentleman yield?

Mr. CASE. I yield.

Mr. WADSWORTH. Under lend-lease we do not sell any gasoline.

Mr. CASE. Do we loan it to them?

Mr. WADSWORTH. Certainly.

Mr. CASE. When we get it back—

Mr. WADSWORTH. We do not get it back. It is expended.

Mr. CASE. All right. Some of this letter goes on to speak of the dumps that the British had. When the American forces ran out they turned to the British to get supplies from them.

Mr. WADSWORTH. And we do not pay the British under lend-lease. If they have stock to spare and we need it, we use it. There is no exchange of dollars. Your correspondent is wrong about our selling and buying gasoline.

Mr. CASE. The gentleman means there is no charge placed on the books anywhere when we turn over goods to the British, under lend-lease?

Mr. WADSWORTH. There is an estimate of the value of the goods, simply put on the books for public information, but there is no exchange of money.

Mr. CASE. All right—but on the reverse transaction is there not similarly an estimate placed somewhere of the value of goods we get back?

Mr. WADSWORTH. We do our best to estimate the value of what we get back. We also do our best to make estimates for the contributing country of what they have given us. That goes on all over the world. We are not selling or buying under lend-lease.

Mr. CASE. If the entries in the exchange were equal, of course, one would wash out the other but the point at issue is whether or not the same valuation is used in the return transaction.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The question is on the amendment offered by the gentleman from New York to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. SCHIFFLER. Mr. Chairman, I offer an amendment to the committee amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. SCHIFFLER to the committee amendment: After the word "procedure", on page 2, line 11, insert the following:

"However, no final settlement shall be made by the President until the terms and conditions of such settlement have been submitted to the Congress of the United States and shall have been approved by the Congress: *Provided, however*, That all duties and obligations heretofore lawfully created and arising out of or in connection with all existing contracts or agreements, shall in no manner whatsoever be impaired or vitiated by this act."

Mr. SCHIFFLER. Mr. Chairman, the purpose of the amendment is very obvious when we take into consideration the existing act and connect the amendment with the language of the existing act, and determine what its interpretation has been.

The particular section which this amendment proposes to modify and amend reads as follows:

The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the payment to the United States may be by payment or repayment in kind or property, or any other direct or indirect benefit which the President deems necessary.

Now, let us see what the interpretation of that language has been. In the initial letter of transmittal with the eleventh report made to the Congress last year—and this language was later deleted from the final letter of transmittal—the following language was used:

The Congress in passing and extending the Lend-Lease Act made it plain that the United States wants no new war debts to jeopardize the coming peace. Victory and a secure peace are the only coin in which we can be repaid.

The amendment that I propose brings back to the House the authority, and I think properly so, that it delegated at the time of the passage of the Lend-Lease Act on March 11, 1941, and it brings it back at this particular time because the urgency of bringing it back is accentuated by developments over the world today.

When we recognize that we have made available for lend-lease use \$63,000,000,000, and that part of that \$63,000,000,000 is going into the coining of silver money that is being used, as has been outlined to you by one of the preceding speakers, for the coin of Arabia, and we are using lend-lease for that type of economic support throughout the world, we recognize that this Congress must retrieve to itself at least the right to have some final say in how lend-lease accounts shall be settled.

This amendment will not in any way vitiate or impair the validity and the life of existing lend-lease agreements. It will in no way affect the effective prosecution of the war. It will not destroy the right to make new agreements, but it will provide that in any new agreement

or in the modification of any existing agreement whereby the terms are liberalized, such new agreements and the provisions of the liberalization thereof, shall be subject to the approval of this Congress. That is what the amendment proposes to do.

I do not think it was the intention of this Congress and I certainly know it is not the will of the people of this Nation, to have delegated to any single individual, whoever he may be, whether the present President or a future President, or whether he be a Democrat or Republican, or whatever he may be, the singular right to have complete control of a fund that comprises approximately one-half of the current national income, and approximately one-fifth of our total national wealth. I think if the Congress recognizes the importance of this resolution and the amendment to it, and recognizes its duty to itself and to the people of the country, it cannot do other than support the amendment.

Mr. MCGREGOR. Will the gentleman yield?

Mr. SCHIFFLER. I yield.

Mr. MCGREGOR. If I understand the gentleman's amendment, it is to give to the Congress, as set forth under the Constitution, the right to supervise any agreements made by the President?

Mr. SCHIFFLER. The President's right is exclusively conferred in the Lend-Lease Act itself, and not by virtue of any constitutional provision. It is a specific grant within the Lend-Lease Act, and this amendment merely retrieves to Congress some of the power that it originally delegated.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. SCHIFFLER] has expired.

Mr. WADSWORTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is with a great deal of hesitation that I suggest the unwisdom of the amendment offered by my friend the gentleman from West Virginia [Mr. SCHIFFLER]. In all probability, I would not venture to do so, if this amendment had not been considered by the Committee on Foreign Affairs, and rejected by it, after very serious consideration.

I think no one will charge me with supporting any movement to deprive the Congress of the United States of its constitutional prerogatives. I am a great believer in the House of Representatives as a democratic institution—especially the House of Representatives. Wherever its authority can be employed effectively under the Constitution, I am heartily in favor of employing it. But here we have an exceedingly difficult situation. The amendment offered by the gentleman from West Virginia [Mr. SCHIFFLER] provides that no final settlement shall be made by the President until the terms and conditions of such settlement have been submitted to the Congress or shall have been approved by the Congress.

Then conscious of the fact that under the terms of the Lend-Lease Act our Government has already entered into agreements for the administration of the lend-lease program involving already the prospect of many settlements, the gentleman from West Virginia has



put what might be termed a saving clause in his amendment in order to avoid part of the difficulty which this thing is bound to encounter, for the amendment reads:

*Provided further,* That all duties and obligations heretofore lawfully created and arising out of or in connection with all existing contracts or agreements shall in no manner whatsoever be impaired or vitiated by this act.

Or rather by this amendment. In other words, his amendment is directed solely, as I read it, to whatever agreements we make from this point on or any modification of an existing agreement which we may make from this point on.

It is conceded, and conceded, I think, unanimously by our committee, that it would be utterly impossible for the Congress to pass final judgment and give its approval to the final settlement of these agreements, because it would involve the Congress in undertaking the job of appraising the value of half-worn-out trucks, tanks, planes, guns, and supplies of one kind and another scattered all over the world in the hands of our allies at the termination of hostilities; and, as I tried to point out in general debate the other day, while this section of the law as it now stands gives the President the power to make those final settlements, from every practical standpoint, of course, it will not be the President at all; it will be our military people on the ground who will be right there when we have whipped Germany, for example, and Russia ceases to need the equipment we have sent them; our military people will be right there on the ground and will be the only people competent to pass on the matter.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I cannot yield.

The military people there on the ground will be the only people competent to judge what the stuff is worth. All of it will be our property; under the terms of the law all of this material is still the property of the United States Government we can do anything we want with it at the end of the war. If we want, we can load it all on ships and bring it back home, but a lot of it will be scrap, half worn out, three-quarters worn out, 100 percent worn out. Some of it may be sold locally if it has any commercial value left; some of it may be brought home. It will include hundreds of items.

The gentleman's amendment proposes that with respect to agreements to be made in the future, or the modification of any agreement which may be made from this time on the Congress must approve the final settlement. Mr. Chairman, this war changes with lightning rapidity, and the demands of war are constantly reflected in the character of supplies we send or exchange. We get much from the others, as we give much to them. The character of the supplies and their destination and the nature of their use may change from month to month, and any one of the agreements heretofore entered into may have to be changed tomorrow. To whatever extent that change is made it becomes a new

agreement, and under this amendment that agreement can never be settled without the Congress of the United States trying to do something which, in my judgment, is physically impossible.

Mr. SCHIFFLER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. SCHIFFLER. That applies only to final settlement.

Mr. WADSWORTH. Yes; final settlement.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WADSWORTH. The idea that your Committee on Foreign Affairs had in mind was that in the making of these final settlements it should be perfectly clear that the President of the United States, whomever he may be at the time, shall not include in those settlements with one of these countries any commitment of the United States Government to a post-war military or economic policy, something looking toward the future. We wanted to, and did, make perfectly clear with our amendment from the committee as perfected by the amendment offered by the gentleman from South Dakota [Mr. MUND] which is now pending before you, that the purpose was to safeguard the people of the United States against reckless commitments which possibly might be made. Who knows? We tried to see to it that our constitutional procedure is preserved and that commitments of that kind must be acted upon by the Congress in the usual constitutional way. But when it comes to the proposal for the Congress to decide what shall be done with what is left of 7,000,000 pairs of shoes given to the Russian Army—how are we ever going to do it? If a new agreement is made, if we get into another theater of war, our military authorities—and all these things are based on the advice of military authorities—if emphasis changes from one theater of war to another and the military authorities decide that some of this material should be shifted we will say from Russia to Yugoslavia under an agreement and used there for the rest of the war, under this amendment that is a new agreement. The Congress I suppose would have to send a committee to Yugoslavia to view the remains when the war is over, and I think it would be an impossible situation. That is why I believe our committee declined to recommend the amendment to the House.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. SMITH of Ohio. How will this amendment affect the post-war agreements which have already been made under the master agreements?

Mr. WADSWORTH. Those post-war agreements have not yet been made. They have been sketched, as it were, the nature of them has been sketched in the famous article 7; and it is the reading of

that article which gives concern to the members of the Foreign Affairs Committee lest under that article it might be presumed that a President of the United States could commit the Government to an undertaking having effect after the war; hence our amendment to see to it that Congress must pass upon any such thing.

Mr. SMITH of Ohio. If the gentleman will indulge me to ask a further question, then do I understand the gentleman to make the specific statement that if this amendment is passed it will cancel out the master agreements?

Mr. WADSWORTH. No; it will not cancel them out but whatever is proposed later on under the master agreement will have to be submitted to the Congress if the committee amendment is adopted.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BUSBEY. The gentleman from New York made a point on reporting to the Congress and Congress passing on all these things. Could not the War Department report to Congress just as well as to the President? After all, it is going to be a War Department recommendation.

Mr. WADSWORTH. Yes; but the settlement could not be made until Congress after spending months and months on the thing had given its approval.

Mr. BUSBEY. I do not know why the Congress would have to spend any more time on it than the President would.

Mr. WADSWORTH. I feel that the Army authorities can be trusted to determine the interests of the United States in the salvage of this property after the war is over. Let them decide whether a truck is worth \$100 or \$500. How can we decide?

Mr. BUSBEY. The President is not going to decide any more than the Congress; the committee is going to decide that and report.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. VORYS of Ohio. Mr. Chairman, I rise in opposition to the amendment.

(Mr. VORYS of Ohio asked and was given permission to revise and extend his own remarks.)

Mr. VORYS of Ohio. Mr. Chairman, I differ with the gentleman from New York [Mr. WADSWORTH], for whom I have such great respect, in the construction of the amendment which the committee adopted. I urge adoption of the Schiffler amendment as carrying out specifically what the Congress thinks the committee amendment provided. The committee amendment provides that no new obligation shall be assumed under lend-lease agreements except in accordance with established constitutional procedure. I was not present when our committee considered this matter, but the gentleman from New York [Mr. WADSWORTH] assures me that counsel for the State Department stated that, if the committee amendment were adopted, the Executive would have to come to Congress before any post-war commitment could be



made. The gentleman from Pennsylvania [Mr. WRIGHT], however, has very ably pointed out that the Lend-Lease Act can now be construed to have given the President power to make agreements with respect to the final determination of benefits under lend-lease, so that the President may now have power, under established constitutional procedure, to make what Assistant Secretary Acheson called forward-looking agreements under the famous article VII. As to final determination of benefits—I think those are the words used in article VII—the lend-lease master agreements look forward to economic arrangements which will benefit this country and others, and those benefits might involve incidental new obligations on this country.

The Schiffer amendment makes it clear that any new obligations, any final settlements, will have to be considered and approved by the Congress.

Now as to the final settlement of items such as shoes over in Russia and the tanks, jeeps, and equipment scattered all over this great planet, I thoroughly agree with the gentleman from New York that it is not within the province of the Congress to review and to pass upon each of those items; the Army, the Executive, however, can come in here with a plan, which does not now exist, for final settlement of all those items and Congress can approve or disapprove that general plan, and then the Executive and the Army can go ahead and carry out the plan as approved by Congress.

I referred in my remarks of yesterday, which will be found on page 3599 of the CONGRESSIONAL RECORD, to a question asked Prime Minister Churchill in Parliament when I was a visitor in the gallery about a month ago. The Prime Minister was asked the question whether he could assure the Parliament that "no final or binding commitments in regard to post-war trade or Empire policy will be entered upon by the Government until such matter has been freely debated in the House."

The Prime Minister answered, "Yes, sir."

He gave that assurance to the Houses of Parliament. In my opinion, the Congress of the United States is just as good as Parliament when it comes to a consideration of post-war economic commitments for our country and should demand similar assurances as to the participation of Congress in determining our post-war policies.

All that the Schiffer amendment does is to provide for review of the final settlements not of all the details of the 44 wartime mutual-aid agreements. It does not affect present obligations at all but refers to final forward-looking settlements and states that those final settlements shall be reviewed by the Congress and approved by the Congress of the United States. It seems to me that insofar as creating new obligations are concerned that is merely saying what our Constitution requires. It seems to me, as Secretary Hull pointed out in his famous Sunday night speech of a short while ago, that other countries know

what we know, and that is that no Executive agreement with reference to post-war policies has any force until it does have the approval of the Congress. Foreign countries, remembering Wilson and his Fourteen Points and Versailles and what happened afterward, are not going to place much reliance on any President of our country, whoever he may be, unless and until they know that the proposal he makes, the agreement he suggests, does have some assurance of approval by the Congress of the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VORYS of Ohio. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. VORYS]?

There was no objection.

Mr. VORYS of Ohio. Mr. Chairman, the other countries know that our President can only make reliable agreements when they are supported by the people's Representatives through Constitutional processes, either through the treaty-making power of ratification, or through forward-looking legislative action, or through later legislative authorization.

When we put through the authorization for U. N. R. R. A. a few weeks ago, we wrote into that law that no new obligations under the U. N. R. R. A. agreement could be assumed by this Government unless and until they were approved by the Congress.

When we extend the lend-lease authority, not until 1945, but until 1948, because the agreements made can be carried out until 1948, when they are extended into a period when, God willing, we will at least be entering into partial peace some place on this planet, we ought to write into the fundamental law that forward-looking agreements or final settlements under lend-lease must be approved by the Congress.

This is not a matter of foreign policy. It is a matter of domestic policy, and what kind of Government we are going to have here. I believe that the time has come when, regardless of who is President, the Congress must assume its full share of responsibility in the determination of the foreign policy of our Republic from now on. Here is a step we can take which will not hamper anybody, but which will merely make it clear to our own Government, to our people, and to our allies that the Congress intends to take its place in the processes of the Republic, I hope that this amendment which makes clear that the Congress has this power will be adopted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment is one that requires thought before a correct judgment can be reached with reference to its effect. The distinguished gentleman from Ohio [Mr. VORYS] who has just spoken in favor of the amendment unfortunately was not in Washington at the time this amendment was considered

by our committee and he did not have the benefit of the discussion which we had at that time. Knowing his sound judgment, I believe if he had been here he would probably have reached the same conclusion that the committee did, that is that the amendment is unwise and should not be adopted.

When the amendment was first offered in the committee it looked upon its face as a fair amendment and the first impression was favorable toward the amendment, but when we considered it in its practical effects we found it is unworkable, unwise, and undesirable.

Mr. Chairman, as a substitute for this amendment there was worked out the committee amendment, which was introduced by the gentleman from New York [Mr. WADSWORTH] and which accomplishes everything that was designed to be accomplished by the Schiffer amendment without its objectionable features. The gentleman from Ohio evidently has not considered the Wadsworth or committee amendment because the speech which he made was that the President should not commit our Government to any policies unless they had the approval of the Congress. Now, that is just what the Wadsworth or committee amendment does.

Let me read it. It says:

*Provided*, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic or post-war military policy except in accordance with established constitutional procedure.

Which has been amended this morning by the amendment offered by the gentleman from South Dakota [Mr. MUNDT] to make it cover also any post-war international relations.

There is the expression on the part of the Congress that the President and those administering lend-lease cannot make any obligations whatever that will bind this country with reference to our post-war economic, military, or our international relations. That is all right, and I think it should be adopted. Our committee unanimously voted for that amendment when it was offered by the distinguished gentleman from New York [Mr. WADSWORTH], but rejected the pending amendment offered by the gentleman from West Virginia [Mr. SCHIFFLER].

The Schiffer amendment goes beyond that. It goes beyond the matter of policy. It gets down to a question of settlement, of bookkeeping, of dollars and cents. It puts the Congress of the United States in a position where it has to give its approval to the final settlement which is made, whether there are any commitments made with reference to our post-war military or economic policy or not. And it would not work.

Let me point out to you the reasons why it would be unworkable and why it would impede the war effort. We have made with these various countries what are called master agreements. There are, as I recall it, about 34 of these master agreements. Those agreements go into detail with reference to what should be done concerning our country's position



toward these contracts and what their shall be. If the Schiffer amendment is adopted, it means that those people who enter into those contracts, those other countries, will have notice that the President is not authorized to make those agreements without the consent of Congress which would have to approve them. The President and those agencies acting under him could not hereafter in good faith make contracts with other governments unless first submitted to Congress and approved by the Congress, because the Congress would have to approve all of them, if the Schiffer amendment is adopted.

Furthermore other governments would not feel like entering into a contract with the United States unless it was going to meet with the approval of Congress, and it would give notice that the President would not have the power and that Congress could repudiate the agreements made, and it would cause distrust on the part of our allies and those with whom we deal that the Congress did not believe in the President of the United States.

I say, it is not workable. The Congress and the Executive would both find themselves faced with an impossible and an impractical situation. It would impede the prosecution of the war. Unlike the Wadsworth amendment or the committee amendment which deals with post-war economy and post-war military policy, this amendment deals with wartime economic policy, because the making of these contracts would be affected by the fact that the settlement would have to be made by Congress and not the executive branch of the Government.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. O'BRIEN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Michigan.

Mr. O'BRIEN of Michigan. Have any of these nations with whom we have had these agreements enacted laws for reverse lend-lease or reciprocal lend-lease outside of these agreements? I am not referring to the agreements that the gentleman refers to but to laws enacted by these other governments. Can the gentleman identify such legislation on the part of these other governments?

Mr. LUTHER A. JOHNSON. For the moment I would not be able to answer the gentleman's question.

Mr. BLOOM. Would that not be what the different nations call mutual aid? It is the same thing, but they call it by a different name.

Mr. O'BRIEN of Michigan. If the gentleman will yield further, I understand that Canada has adopted legislation which is entitled a mutual aid law, or something of that sort.

Mr. LUTHER A. JOHNSON. England uses the term "mutual aid" rather than "lend-lease." We have had no lend-

lease agreements with Canada, as I understand.

Mr. O'BRIEN of Michigan. But outside of Canada, has any one of these other nations adopted legislation? I am not referring to agreements. We know that agreements unless ratified by their governments are just like the Atlantic Charter. Have any of these other nations enacted laws ratifying reverse lend-lease or reciprocal lend-lease?

Mr. LUTHER A. JOHNSON. I am not prepared to answer the gentleman's question as to what laws they have passed. A great many governments do not have to pass legislative acts to bind their countries.

Mr. O'BRIEN of Michigan. Of course, other governments have dictators or kings.

Mr. LUTHER A. JOHNSON. Not all of them have dictators.

Mr. O'BRIEN of Michigan. Where it is a democratic government, there is an act of parliament or the parliamentary body, or there is an edict of the dictator or the decree of the king; but is the gentleman able to give us the information as to laws, whether by king, dictator, or parliament, enacted by these other governments for reverse lend-lease?

Mr. LUTHER A. JOHNSON. I have not gone into that, and I could not answer the gentleman's question, because I do not know, and I am only at this time concerned with the present amendment.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from West Virginia.

Mr. ELLIS. In the committee hearings, on page 197, I notice under the heading "Amounts of lend-lease aid authorized" under the subheading "Lend-lease appropriations to the President," a total of twenty-four billion plus; and in section 2, "Direct appropriations to the War and Navy Departments," a total of thirty-five billion. That sum of money, as I understand it, comes out of the Army and Navy appropriations.

Then, on page 198—

Mr. LUTHER A. JOHNSON. Will the gentleman please hurry? I have only 5 minutes. That has nothing to do with the pending amendment. If the gentleman has some question with reference to the pending amendment, I will be glad to answer him. There was discussed yesterday the amount appropriated and spent under lend-lease.

Mr. ELLIS. I thought the gentleman would clarify it.

Mr. LUTHER A. JOHNSON. I would rather not try to do it now, because the pending amendment is what I wish to address myself to at this time.

Mr. Chairman, this is what I was going to say: This amendment is an amendment that should be defeated, because it will not accomplish what it is intended to do, and it will have a bad effect upon the war and its conduct, and after the war is over.

Mr. SCHIFFLER. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. Not quite yet. Here is the position I want to take, and I want to make this clear. If the

Congress of the United States has to pass upon these various settlements, it is going to take up a great deal of time, because the Congress will have to be consulted before these agreements are made, and it will involve a good deal of book-keeping, meaning that the Congress will have to take up time it should devote to other questions of major importance.

Furthermore, what if this situation should arise? What if, when the final report came in, the Congress did not approve the settlement? Then we would be left with our relations with other countries never settled; the curtain would never be rung down on it, and this thing would stand here unsettled and undetermined. So I say the only right thing to do and the only sensible thing to do would be to take the committee amendment, providing that any settlement which makes any commitment on our part, which binds our Government to anything, is not binding unless it is approved by the Congress. With reference to these various settlements about jeeps and this amount of money and that amount of money, that should not have to come before the Congress for final settlement.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I would just like to call attention to the fact that some of these agreements which the Congress has been called upon to pass on are 90 years of age, some of them going back as far as the Mexican War, 1848. It took us nearly a hundred years to settle them, and the same thing will occur in this case if the Congress has to approve every little item.

Mr. LUTHER A. JOHNSON. There ought to be a final settlement made as soon as possible for the sake of good relations of our country with the other countries.

Mr. SCHIFFLER. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from West Virginia.

Mr. SCHIFFLER. I would like to have the gentleman's explanation regarding a statement he made on two or three occasions that the passage of this amendment would hinder the war effort. I would like him to point out in what respect this amendment would have anything to do with the prosecution of the war.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I ask unanimous consent for 1 additional minute to answer the gentleman's question.

The CHAIRMAN. Without objection, it is so ordered.

Mr. LUTHER A. JOHNSON. In answer to the gentleman I will say this, that it would impede the war effort, because hereafter any agreements made between our country and any other country could not be entered into by the executive branch unless Congress was consulted and expressed its approval, because in good faith the executive branch is not going to make any agreement, if Congress has to ratify it, with-



out first having Congress pass on it, and that would delay the war effort and would delay what has to be done quickly.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I doubt whether I can add anything to the arguments of the gentleman from New York and the gentleman from Texas. However, there is one aspect of this amendment which appeals to me. I do not know whether it will be of any enlightenment to the House, but I am going to try to give my idea of it nevertheless.

I do not believe there is any Member of Congress who would willingly do anything to diminish the prestige of our Government in dealing with its allies and with foreign nations. I think we must remember that when the President, acting through the Lend-Lease Administration and the military authorities, deals with the other nations of the world, he represents our country, and has in his custody and care the welfare of America.

You may ask in what respect the adoption of this amendment would diminish the prestige of the President. I might answer that in 1941 this Congress felt that in order to prosecute the war effectively the President should be entrusted with the power to negotiate lend-lease agreements, to decide what was going to be done or what was going to be received in consideration for lend-lease material and services rendered. Now, in the middle of the war we are asked by the gentleman from West Virginia to change the rules of the game. We are asked to advertise to the world that we have as a nation lost confidence in our military leaders and in our Lend-Lease Administration, and that we no longer trust them to conclude these lend-lease agreements.

As the gentleman from New York has pointed out, the accounting job contemplated by this amendment is a staggering one, but it possibly could have been accomplished if that had been the procedure outlined in the passage of the original act. I do not know. But I do know that, having made our rules, having passed our statute giving the executive branch of the Government, the Lend-Lease Administration, and the military the power to conclude these arrangements with foreign nations, we cannot, when so many great questions of vital importance to this country and the world are at stake, advertise to the world that these agents whom we have appointed and entrusted with this authority no longer have our confidence, and that any agreements that are made in the future must be made differently than all other agreements that have been made in the past and must be referred to the Congress itself for final determination.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I agree with the gentleman that we should not change the rules of the game in the middle of the war, but the committee amendment which has already been adopted, and to which the Schiffer amendment refers,

takes in only post-war agreements and refers only to final settlements which are going to be made post-war, so that this could not conceivably be considered as a reflection upon our war leaders.

Mr. WRIGHT. If I may answer the gentleman, I am heartily in favor of the amendment that was offered in committee by the gentleman from New York [Mr. WADSWORTH], and unanimously adopted, for the reason that I wish to uphold the prerogatives of Congress when it comes to charting the course of this Nation in its relation to the other nations after the war. But the lend-lease agreements which are now made by the President with antecedent legislative authority from this body are not post-war or permanent agreements; they are within the peculiar prerogative of the Executive. Action in war must be speedy in order that this Government can deal on equal terms with the parliamentary Government of Great Britain, where the Prime Minister has great authority, or with the Government of Russia, where Mr. Stalin speaks with such authority. Our President must be given ample power to deal with these great nations on a like basis.

Mr. O'BRIEN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. O'BRIEN of Michigan. The gentleman wishes to change the character of the American Government so that the President of the United States would have the role of the gentleman in Russia or the gentleman in England to whom he refers.

Mr. WRIGHT. I do not wish to change the character of the American Government. I wish to emphasize the traditional character of the American Government, that the Executive is recognized as the Commander in Chief of the Army and the Navy and it is his prerogative to lead this country in the waging of war. Lend-lease is a war instrument. The gentleman from West Virginia by his amendment tries to bring Congress into a scene in which I do not believe it really belongs. When we get into the province covered by the amendment offered by the gentleman from New York [Mr. WADSWORTH], which is international relations and dealings of a permanent nature between nations after the war, certainly I think the Congress should be consulted, and I would be just as emphatic as the gentleman who has just questioned me in defending the right of the Congress to exercise its share in the settlement of world-wide questions after the war.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ANGELL. Mr. Chairman, I move to strike out the last two words, and ask unanimous consent to revise and extend my remarks and include therein a letter of my own.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Chairman, in connection with the disposition of salvaged

property and the sale and disposition of property, the title to which will remain in the United States Government after the war, now under discussion, I call your attention to a transaction which occurred in my State with reference to the salvaging of a battleship which is very near and dear to the hearts of the people of Oregon.

During the Spanish-American War we had a battleship in the American Navy named the *Oregon*. It was commissioned shortly before that great engagement took place. This ship made a heroic trip around the Horn through the Straits of Magellan on to Key West and then to Santiago, driving against time to take part in that memorable battle which resulted in the destruction of the Spanish Fleet and eventually in our Government's winning the war.

When it came to disposing of the ship later, it then being out of use and outdated by reason of over age and obsolescence, it was turned over to the State of Oregon to be maintained as a shrine and a heroic object within our State, for the inculcation of patriotism and morale. It was maintained for a period of almost 20 years by the State for that purpose, although title was vested in and retained by the Federal Government.

When the present war broke out, and eventually when scrap material became scarce and it was necessary to comb every source to secure material for salvage, the Federal Government, the owner of the ship, through the President, ordered this old battleship taken from its moorings in the historic park where it had been placed within the city of Portland, and scrapped. The ship had cost the Federal Government originally \$6,280,000, and launched October 26, 1893. The State of Oregon had appropriated over \$154,000 for the reconditioning and care of the vessel. There was expended on the project from contributions by civic bodies, the port of Portland, the city of Portland, school children, and school districts, a sum of money perhaps much larger than that. A beautiful park in the heart of the city of Portland, within its corporate limits, on the Willamette River was provided by the city of Portland as a permanent home for the old fighter and was dedicated and known as the Oregon Marine Park, to be the moorage place of this old ship as long as God in His wisdom permitted it to weather the elements of nature, so that it might remain as a heroic object of patriotism to our people, young and old.

Over 6,000 school children every year visited this vessel.

As I say, it was ordered to be scrapped and torn from its moorings and from the hearts of the people of Oregon. I happened to be in Portland in my district at the time and I sent this telegram to those in charge of the salvaging of the *Oregon*:

Oregon cooperating 100 percent in war effort. Willing to sacrifice old *Oregon* battleship so near to our hearts that the old ship may again, in a new form, perform gallantly as she did in her memorable fight. We hope you will see that the ship be not sold to dealers, but may go through to war needs



without profit to anyone. Please advise if this can be done.

I received the following letter in reply from Commander R. W. Berry, of the United States Navy, Deputy Director in the Office of Public Relations, Navy Department, which reads as follows:

As our official news release indicated, the U. S. S. *Oregon* is to be dismantled under the strict supervision of the War Production Board and the Navy Department.

I am advised, however, by the Salvage Construction Section of the Bureau of Supplies and Accounts, that it cannot be guaranteed to have the ship wrecked "without profit to anyone."

The only way she can be dismantled is by a qualified wrecker. The project is an enormous one. It is regarded as being next to impossible to obtain the services of a wrecker who will do this job without profit and for sentiment only. Unless you, or perhaps someone else, knows of a person or a company on the West Coast who will warrant to wreck the *Oregon* without profit, there is no alternative to proceeding as contemplated.

Please be assured that your feelings about the *Oregon* are fully appreciated. Every effort will be exerted by all concerned to wreck her in accordance with the spirit of your wishes.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Chairman, this week I was informed that the battleship *Oregon*, which cost over \$6,000,000, as I have said, and on which the State of Oregon had expended over \$154,000, and perhaps an equal amount through other civic contributions and the Federal Government, was disposed of after the above letter was written to me for \$35,000. I doubt if any appreciable amount of the salvage has gone into our war effort so far. Right now I am advised that the Federal Government is buying back equipment and salvaged material from the ship at prices wholly inconsistent and perhaps far in excess of the miserly sum of \$35,000 which was paid for this \$6,000,000 ship upon which some \$200,000 or \$300,000 have been spent. I am asking our Committee on Naval Affairs today, through the committee itself or through a subcommittee thereof, to make a full investigation and report to this Congress as to just what was done in the salvaging of this ship. As I stated to the committee chairman, the value of the old *Oregon* for war purposes as a historical shrine in maintaining and building morale and patriotism in our people far exceeded the nominal value of the material involved for purely salvage purposes.

Mr. Chairman, I include as a part of these remarks the following letter, to which I referred, which I sent to the gentleman from Georgia [Mr. VINSON], chairman of the House Committee on Naval Affairs, asking for an investigation of the disposal and salvaging of the battleship *Oregon*:

CONGRESS OF THE UNITED STATES,  
House of Representatives,  
Washington, D. C., April 19, 1944.  
Hon. CARL VINSON,  
Chairman, Committee on Naval Affairs,  
House of Representatives,  
Washington, D. C.

MY DEAR COLLEAGUE: I most respectfully request that the Naval Affairs Committee, or a subcommittee thereof, make a full and complete investigation of the dismantling and salvaging of the battleship *Oregon*. Facts have recently come to light in the Portland district, which I have the honor to represent, that full utilization of the material in this battleship has not been made by the Federal Government, and portions of the material and equipment have been sold to the Federal Government by the purchaser of the ship for salvage purposes at prices disproportionate to the ridiculously low sum purporting to have been received for the ship.

I call to your attention and to the attention of the committee that the battleship *Oregon* performed, as you know, a most heroic service in the Spanish-American War. The battleship *Oregon* was constructed pursuant to an act of Congress June 30, 1890, at a cost of \$6,280,000, and was launched October 26, 1893. Capt. Charles Edgar Clark assumed command on March 17, 1898, and was in command when the historic ship made its famous run around South America, through the Straits of Magellan, on to Key West, and then to Santiago, arriving in time to play an important part in the famous Battle of Santiago, which resulted in the destruction of the Spanish Fleet on July 3, 1898.

The citizens of our Nation and particularly the State of Oregon are proud of this heroic achievement of the battleship *Oregon*. When the time arrived for retiring the *Oregon* from active service in the Navy, possession was turned over to the State of Oregon, and from June 1925 to October 1942 the State had possession and custody under the memorandum receipt executed to the Secretary of the Navy by the Battleship *Oregon* Commission, an agency of the State. Title, however, remained in the United States. The *Oregon* was moored in a historic park on the banks of the Willamette River, within the corporate limits of the city of Portland, where it was maintained by the people of Oregon as a shrine to instill in the hearts and minds of our people, and particularly the boys and girls, patriotism for our country.

The biennial reports of the secretary of state for Oregon show that from 1927 to June 1941 the State appropriated \$154,961.14 for the care and maintenance of the ship, under the supervision of the Battleship *Oregon* Commission, the members of which served without compensation or other allowance. During this period these appropriations by the State, together with appropriations by the port of Portland, the city of Portland, public subscriptions, and contribution from the United States, made possible providing a permanent anchorage for the *Oregon* in the historical park to which I have referred, which was dedicated and improved with the assistance of the Work Projects Administration and was known as the Battleship *Oregon* Marine Park.

The *Oregon* as maintained by the Commission was not only a relic of great historic and patriotic interest but was maintained as a museum for the preservation and display of historic objects having reference to the old battleship. The gun deck also served as a meeting place for the Boy Scouts, Sea Scouts, Boy Rangers, Girl Scouts, Campfire Girls, Girl Mariners, and various other civic, patriotic, and character-building organizations, particularly having to do with the youth of our Nation. There was an average monthly

attendance of 6,000 visitors to the ship, composed largely of school children and other organizations. The old ship, by reason of its heroic achievements in the Spanish-American War and its glorious history as a fighting battle wagon in the American Navy and its maintenance through the years by the State of Oregon as a symbol of patriotism to our country had enshrined itself in the hearts of the people of Oregon to such an extent that it had become an invaluable factor in all patriotic endeavors engaged in by our State, particularly in time of war. In passing I may say there can be little question that the value of the ship for war purposes as a historic shrine in building morale and patriotism in our people far exceeded the nominal value of the material involved for purely salvage purposes.

On October 12, 1942, the Navy Department, with the approval of the President, in order to meet the exigencies of the war occasioned by the shortage of scrap metals, ordered the vessel scrapped, and these operations began on about December 8, 1942. I was in Portland in my district at the time, and I sent a telegram to the officials in charge of the dismantling of the ship, reading as follows:

"Oregon cooperating 100 percent in war effort. Willing to sacrifice old *Oregon* battleship so near to our hearts that the old ship may again in a new form perform gallantly as she did in her memorable fight. We hope you will see that the ship be not sold to dealers but may go through to war needs without profit to anyone. Please advise if this can be done."

In reply to this telegram, on October 24, 1942, I received a letter from R. W. Berry, commander, United States Navy, Deputy Director in the Office of Public Relations, Navy Department, reading as follows:

"As our official news release indicated, the U. S. S. *Oregon* is to be dismantled under the strict supervision of the War Production Board and the Navy Department.

"I am advised, however, by the Salvage Construction Section of the Bureau of Supplies and Accounts, that it cannot be guaranteed to have the ship wrecked 'without profit to anyone.'

"The only way she can be dismantled is by a qualified wrecker. The project is an enormous one. It is regarded as being next to impossible to obtain the services of a wrecker who will do this job without profit and for sentiment only. Unless you, or perhaps someone else, knows of a person or a company on the west coast who will warrant to wreck the *Oregon* without profit, there is no alternative to proceeding as contemplated.

"Please be assured that your feelings about the *Oregon* are fully appreciated. Every effort will be exerted by all concerned to wreck her in accordance with the spirit of your wishes."

Through the public press I have recently noted that the battleship *Oregon* was disposed of for approximately \$35,000, and, as I have said, rumors and reports in the press indicate that the Federal Government is buying back portions of the equipment and salvage material out of the ship.

In justice to our people and to the Nation and that the facts may be known, it seems proper that your great committee should make a full and complete investigation of all of the transactions in connection with the dismantling and salvaging of the battleship *Oregon*, and I respectfully request that this be done.

Sincerely yours,

HOMER D. ANGELL,  
Member of Congress.

Mr. DEWEY. Mr. Chairman, I move to strike out the last three words.



Mr. Chairman, I rise not to make any remarks on either of the two pending amendments, but to ask some questions if I may, of the gentleman from New York and the gentleman from West Virginia. I am very sure that all of these questions were fully covered in discussion in the Committee on Foreign Affairs, but not having the honor of being a member of that committee, I do not know what was said. In regard to the disposition of lend-lease materials, I believe section 5 of one of the master agreements, perhaps that section is contained in all the master agreements, speaks of the disposition of material after the cessation of hostilities. As I queried yesterday, without getting a response, it might be that hostilities would discontinue in one area and not in another area. I am wondering if the stock piles of lend-lease materials existing in an area in which active warfare has stopped, could be disposed of by lend-lease authorities, we will say, to the United Nations Relief and Rehabilitation Committee. May I query the gentleman from New York, if he would be kind enough to give answer to that question?

Mr. WADSWORTH. All the material, of course, still is the property of the United States. Under the law, the President, of course, who will act through the military authorities, will have to decide what it is worth and where it had better go and what we had better get out of it. It is possible, of course, that part of it which might be useful for the purpose, could be transferred to another branch of our governmental effort including our participation in U. N. R. R. A. That might save us some money.

Mr. DEWEY. Of course, if it would save us money, that would be all right, but I was wondering who would put a price on it, inasmuch as we only have a small voice in these matters.

Mr. WADSWORTH. The price will be put on it under the terms of the lend-lease act and not under the terms of U. N. R. R. A.

Mr. DEWEY. But there would be some responsible authority reporting to the United States as to what price was put on?

Mr. WADSWORTH. Certainly.

Mr. DEWEY. That is not a matter of fundamental policy. It might be a matter of expediency. I want to ascertain if we would not get a lot of our materials used for purposes for which they were not originally intended and which might be used either for rehabilitation or relief under U. N. R. R. A.?

Mr. WADSWORTH. In any event the United States Government, would get credit for its value.

Mr. DEWEY. In other words, that would diminish the appropriation asked by U. N. R. R. A.

Mr. WADSWORTH. Yes, sir; it would be bound to be.

Mr. DEWEY. And that would have to be accounted for by U. N. R. R. A. as having been received and it would be offset on their appropriation?

Mr. WADSWORTH. When the Committee on Appropriations of the House is asked to make an appropriation they might well ask, "Did you not succeed in

getting some of the half-worn-out material left over from lend-lease in a certain country?"

Mr. DEWEY. I think that would show great wisdom on the part of that committee and I am sure they will do it.

May I ask the gentleman from West Virginia as to his feeling on that, if he has anything to say as to the use of those stock piles?

Mr. SCHIFFLER. I think the interpretation given by the gentleman from New York [Mr. WADSWORTH] is correct and is covered by section 4 of the act, whereby the President may give permission to any country to transfer title to property that has been delivered to that country and he can, if it is within that country, order it transferred to any other place.

Mr. DEWEY. I am asking these questions only to clarify in my own mind the post-war situation as it may be complicated by the lend-lease supplies.

Mr. SCHIFFLER. It might go to U. N. R. R. A. or might go to any other agency or for any other purpose. I think the President has the authority, under section 4 of the act, to direct the country in which that property is located to deliver it over to anybody else or any other nation.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to my distinguished colleague from Ohio.

Mr. VORYS of Ohio. Does not the gentleman feel any broad plan for the distribution of surplus stock piles of lend-lease material should be submitted to the Congress and approved by Congress?

Mr. DEWEY. I certainly feel we should be consulted, particularly as the gentleman from New York has stated the title to these goods is in the Government of the United States. I do feel we have a number of plans, not before the Congress, but at least being discussed as to post-war cooperation and I just wanted to be sure that there will be good accounting and our taxpayers receive as many benefits as possible.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope the amendment will be adopted. It will be a great protection to the United States. In answer to the gentleman from Ohio regarding the surplus supplies and the disposition of them on final settlement, I have an amendment which will take care of that. My amendment provides that before the final disposition of those defense articles the Congress should approve of such disposition. We do not want to leave tremendous stock piles of materials of war, even ships, that might be used against us at some time.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from West Virginia [Mr. SCHIFFLER] to the committee amendment.

The question was taken; and on a division (demanded by Mr. SCHIFFLER) there were—ayes 107, noes 110.

Mr. SCHIFFLER. Mr. Chairman, I ask for tellers.

Tellers were appointed, and the Chairman appointed Mr. BLOOM and Mr. SCHIFFLER to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 114, noes 134.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mrs. ROGERS of Massachusetts: Page 2, after line 11, insert the following:

"Sec. 3. Subsection (b) of section 3 of the act of March 11, 1941, as amended, is amended by inserting '(1)' after '(b)' and by adding at the end thereof the following new paragraph:

"(2) Nothing in paragraph (1) of this subsection shall be construed to authorize the President to enter into any final settlement with respect to the disposition, other than the return to the United States, of defense articles in the possession of any government of any foreign country and not necessary to the defense of such foreign country until the terms and conditions of such settlement shall have been submitted to the Congress and approved by a concurrent resolution of the two Houses."

Mrs. ROGERS of Massachusetts. Mr. Chairman, my amendment provides that the surplus defense materials not necessary to the defense of that country shall not be left in final settlement in other countries or transferred from one country to another without the approval of the Congress. It in nowise interferes with the war effort, it nowise interferes with lend-lease goods being shipped today and being used by foreign countries or from being transferred from one country to the other countries who are our allies.

I would remind the House that airplanes are lent today under lend-lease to different countries. Ships are delivered to our allies under lend-lease through the Maritime Commission transferring them to lend-lease; supplies of tanks and other matériel of war likewise.

Mr. Chairman, years ago I warned the House what the Government was doing in sending scrap iron, cotton, and commodities of war, matériel of war, to Japan. After our experience at Pearl Harbor, I should like to ask the Members of the House if they want to leave large supplies of lend-lease matériel of war in any country after the war which country we may deem not to be with us, may be against us? I should like to ask the House what it thinks those boys who have been wounded in the South Pacific think about the matériel of war that was furnished to Japan before Pearl Harbor by the United States over my vehement protest and the vehement protest of some other Members of Congress. We were told then that we must do nothing to offend the feelings of Japan. Mr. Chairman, we do not want history to



repeat itself. I say to you that after the war is over, before the war is over, there may be a separate peace, one of our allies may make a separate peace. We must make sure that that ally is not allowed to have matériel of war with which to injure us, not only through use by that country but by transfer from that country to some other country which is unfriendly to us. It seems to me this is a very vital amendment to this bill. The House does not realize, although some Members know, I think, that some years ago several of the moving-picture persons took talking movies of me explaining the danger of Japanese methods to this country. Those movies were never allowed to be shown. If only mine and other warnings had been heeded there would not have been a Pearl Harbor. I tell you this because I think it is extremely significant. I cannot let it be upon my conscience not to make every effort possible to see that the matériel of war in the final settlement is not left in countries that may do us damage.

I repeat, Mr. Speaker, that my amendment merely provides that the President is not authorized to enter into any final settlement with respect to the disposition, other than the return to the United States, of defense articles in the possession of any government of any foreign country and not necessary to the defense of such foreign country until the terms and conditions of such settlement shall have been submitted to the Congress and approved by a concurrent resolution of the two Houses.

I pray it may pass.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. CRAWFORD. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

(Mr. CRAWFORD asked and was given permission to revise and extend his own remarks.)

Mr. CRAWFORD. Mr. Chairman, I do not see how anyone can take the thirteenth report of the operations of lend-lease and analyze it very carefully without at the same time being in favor of this amendment. I think the amendment is highly constructive and greatly in the interest of the protection of the United States.

On the evening of Easter Sunday I listened very carefully to the address of Secretary of State Cordell Hull. I noticed how he emphasized the important part the Atlantic Charter, the declaration by the United Nations, lend-lease, and the Four Power Pact plays in our present foreign policy; and then we have this effort on the part of certain countries to bring about control of stock piles of goods and materials and ships incident to the post-war period. We must bear in mind that our own Government agencies are the largest holders of stock piles of economic materials in the world today.

As I understand this amendment—and if I am in error I should be pleased to have the gentlewoman from Massachu-

setts correct me—as I understand this amendment it strengthens the hands of the United States in controlling stock piles of all commodities, goods, ships, and equipment, embraced in the concept of lend-lease, and which are now moving across international boundaries, and bring those stock piles as of the date of cessation of hostilities back under the control of the Congress of the United States.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mrs. ROGERS of Massachusetts. It applies in the final settlement; the gentleman is correct, the final settlement of defense materials, matériel of war. I do not see how anyone can refuse to support it.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. WADSWORTH. Just for a correction, lend-lease does not possess any stock piles abroad.

Mr. CRAWFORD. I certainly did not say that lend-lease possessed any stock piles abroad. I pointed out they belong to our Government agencies.

Mr. WADSWORTH. The amendment therefore does not apply.

Mr. CRAWFORD. Let me ask the gentleman from New York this question: When does lend-lease cease to have jurisdiction of the things they ship?

Mr. WADSWORTH. They are under the jurisdiction of the United States in the first instance. The right to use them is all that goes with them when they are turned over to our allies.

Mrs. ROGERS of Massachusetts. If the gentleman will yield, title remains in the United States?

Mr. CRAWFORD. Title remains in the United States. As I understand this amendment, then, it would prohibit the President from disposing of title to those lend-lease stock piles. Is that correct?

Mr. WADSWORTH. They are not stock piles.

Mr. CRAWFORD. Well, whatever you want to call them; inventories of food, equipment, materials, or what not.

Mr. WADSWORTH. They are worn-out jeeps and trucks.

Mr. CRAWFORD. Oh, no; oh, no. Worn-out jeeps and trucks are not the only things getting into the channels of lend-lease. We might as well be accurate about this thing now. Take the thirteenth report of lend-lease operations and analyze it and see what does get into the channel of lend-lease.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mrs. ROGERS of Massachusetts. Airplanes, ships, and such things also are sent under lend-lease.

Mr. CRAWFORD. That is my understanding.

Mrs. ROGERS of Massachusetts. The President may bring them back to this country after the war if he wishes; or if he wishes he can leave them in Russia, England, or any other country.

Mr. CRAWFORD. That is, under present conditions?

Mrs. ROGERS of Massachusetts. Under present conditions. Before he could do that, other than return them to the United States, bring them back, the Congress would have to agree, under my amendment.

Mr. CRAWFORD. That is exactly the way I understand the situation.

Mrs. ROGERS of Massachusetts. That is exactly the amendment.

Mr. CRAWFORD. And as we move into this horse-trading period of the post-war era, somebody will have to speak in the interest of the United States first. That is what I am interested in. I want that power left in the hands of the Congress of the United States. It is because of the surrender of too much of that power of Congress that I have up to this point consistently voted against lend-lease operations. We went into lend-lease on the assumption that the balance of the world would do the fighting, we would furnish the matériel and the monetary means and the credit. Later we went into the war furnishing of men and all we have. Today, therefore, we have a situation that is entirely dissimilar to what it was when lend-lease began to operate.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mr. BREHM. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. BREHM. Lend-lease was enacted 9 months before the United States was actually engaged in war. Does it not make good sense that now after the 2½ years America has been in the war clarifying amendments should be added to a law which was enacted 9 months before our entrance into the war?

Mr. CRAWFORD. That is particularly true in line with what Secretary Hull said last Easter in his broadcast to the Nation.

Mr. WOODRUFF of Michigan. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. WOODRUFF of Michigan. The gentleman knows, of course, that not only \$74,000,000,000 which have either been appropriated for or allocated to the lend-lease fund by the President, but other than money is involved in lend-lease; in other words, that \$74,000,000,000 does not by any means encompass all of the things that actually come under the lend-lease law.

Mr. CRAWFORD. I appreciate the gentleman's observations at this point.

Mr. WOODRUFF of Michigan. The law does authorize the President to transfer to anyone he likes all of the matériel of war, all of our shipping, all of our supplies; as a matter of fact, everything we have really comes under lend-lease if the President so wishes and I think it is about time that the Con-



gress of the United States should stand up on its own two feet, demand an itemized accounting of every dollar spent and for what it was spent. It is established that less than twenty of the seventy-four billions credited to the fund have been spent in the first 3 years of its existence. What the balance will be spent for, how much more will be demanded, what will be done with it, for what it will be used, unless the Congress insists upon an exact accounting, God only knows.

Mr. CRAWFORD. When you add to the gentleman's observation the list of nations which have qualified for lend-lease benefits, so many of which are not now actually active in the war with military forces, you get an additional significance to the observation made by the gentleman from Michigan [Mr. Woodruff].

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. The gentleman from Ohio [Mr. VORHS] insisted that the American Congress ought to have as much right in supervising these settlements as the British Parliament because, in his opinion, the American Congress is as good as the British Parliament. I would like to point that, as far as I know, in the British Parliament there are no American agents. That is one difference between the two bodies.

Mr. CRAWFORD. I should not think there would be many American agents occupying seats in the British Parliament.

Mr. LEMKE. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from North Dakota.

Mr. LEMKE. If this machinery, trucks, automobiles, and so forth are as usable as the gentleman from New York would like to have us believe, why does he want to give them away?

Mr. CRAWFORD. They go over there in new form. Mr. Chairman, keeping out of the field of diplomatic negotiations, may I say that by all the rules of decency the people of this country have a right to expect their Representatives here in Congress to keep things within our control for the post-war period. That is just a cold fact, it does not need any debate; it is so academic it is almost axiomatic, you may say, and I cannot understand why there should be any opposition to an amendment of this kind.

Mr. ELLIS. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from West Virginia.

Mr. ELLIS. I notice in the report that appropriations to the President for lend-lease are \$24,000,000,000 plus, other appropriations, for the Army and Navy, \$35,970,000,000, Maritime Commission, \$5,000,000,000, totaling some \$65,000,000,000 for lend-lease; is that correct?

Mr. CRAWFORD. That is my understanding. And the proposition was originally sold to us on the basis of a \$7,000,000,000 appropriation.

Mr. ELLIS. Does the authorization we are concerned with this afternoon affect only the lease-lend appropriations of the President?

Mr. CRAWFORD. Does the gentleman mean this amendment?

Mr. ELLIS. No; the whole bill. This bill has to do only with the lend-lease appropriations of the President or the extension of it?

Mr. CRAWFORD. It is not my understanding that the bill today is limited to the direct appropriations to the President.

Mrs. ROGERS of Massachusetts. The President has transferred goods from the Army and Navy and a large amount of the \$35,000,000,000, or quite a large part, comes about in that way. It is credited to lend-lease, but it has been transferred from the Army and the Navy. The Maritime Commission has lent \$2,000,000,000 worth of ships. We do not want to feel that someday those ships may be used against us if left over there. Conceivably those countries will look after themselves after this war.

Mr. CRAWFORD. And, Mr. Chairman, let me say at this point that I am greatly disturbed over some of the complications and problems arising out of the lend-lease operations and about which there has been far too little debate, if any. I now refer to the international currency situation which comes about through our shipping to so many countries lend-lease goods for which we require no immediate payment and wherein for the goods we purchase from those countries—I have particular reference to the Latin-American republics—we allow them dollar credit which they in turn reduce to earmarked gold for their account. One only needs to closely analyze our rapidly developing unfavorable position from not only an exchange standpoint internationally speaking but as well from the situation that is coming about through the shifting ratio of gold back of our reserve bank currency issues and the deposits carried by those banks. Our whole economy is becoming greatly disturbed incident to these developments and apparently those who support the lend-lease program seem to be little, if any, concerned about the trouble to which I am here referring.

And, Mr. Chairman, another of my principal grievances against lend-lease is the manner in which that agency of our Government has not allocated military supplies and equipment to our fighting forces in the southwest Pacific area and particularly our forces, and those gallant allies—the Chinese—and our forces located in that great country.

I am, of course, not in position to pose as a world strategist nor as a prophet nor a son of a prophet. I have, however, developed considerable interest in different theaters of operations; and as regards the far eastern area I have had the benefit of conversations with various people who, by virtue of their long residence in the Far East coupled with opportunities which they have for extensive travel in many of the countries in east-

ern Asia, are in a position to speak with some authority. One man whose observations I am always glad to have is Carl Neprud, who has worked with the Chinese Government for over 30 years during which time he has lived in practically all parts of China, and since the outbreak of hostilities between China and Japan has, in his capacity as a liaison officer, had a unique opportunity to become acquainted with adjoining territories like Burma and Assam—the very territories where fighting is now in progress.

At times Neprud has had occasion to set his views down in writing. It has been my privilege to obtain copies of three of his memoranda and in view of the information they contain and the general soundness of the views they express, I believe they are worthy of being embodied in the Record for others to read; and Mr. Chairman, in due course, I shall ask for unanimous consent to incorporate the three memoranda in the Record. While two of the memoranda bear directly on the strategy of our operations in Southeast Asia since Pearl Harbor, I propose to include a pre-Pearl Harbor memorandum which Neprud sent to the President under cover of a letter dated July 9, 1940, in which he stressed the importance to the democracies of maintaining control of the Manila, Singapore, Surabaya area by throwing more naval and other forces into that area to prevent the Japanese from going south to capture Malaya and the Netherlands East Indies and thus assure themselves of an ample supply of strategic materials, such as oil, rubber, chrome, tin, and iron, with which they could fight a war on a large scale; and would establish among all the islands in that area a second hornet's nest—comparable to the one they have in the home islands—out of which it would be difficult to dislodge them. A reading of that interesting memorandum will show that the writer sensed at that time that a thrust south on the part of Japan would mean also the cutting of the Burma Road—then virtually China's only supply line. Neprud felt strongly enough on this point to be sent on a mission in the spring of 1941 by his chief, Dr. H. H. Kung, China's vice premier, and, concurrently, Minister of Finance, to India—to Upper Assam—to study different matters relating to the possibility of a direct air route between China and India, the thought being that if the Japanese attacked Britain they would take the whole of Burma—and China would have no practical route to the outside world except by a direct air hop to India. As we all know events developed in exactly that manner. Our only communication line with China now is by the upper Assam air route.

Within the last few weeks the Japanese have launched an offensive to cut the supply lines for that air route. This is a very serious business because if the Japanese succeed in their effort, they will virtually isolate China, depriving her of any worth-while aid until either this supply route is reestablished or until some



new route is opened up. From recent press reports it would appear that the Japanese are entering on a program of creating a stronger military position for themselves in China. For instance, directly after the conclusion of the recent agreement with Russia concerning the fishery question and the oil and coal concessions in northern Sakhalien, there were reports that the Japanese were moving units of their crack Kwantung army from Manchuria to points in central and southern China; and only yesterday I read an Associated Press item from Chungking in the New York Times concerning a new offensive which the Japanese have started near Chengchow on the Peiping-Hankow Railway line, at a junction point with an important east and west line. The inference drawn by the authorities in Chungking, according to the Associated Press correspondent, is that the Japanese are making a bid to open up land communications across China from north to south. In order to accomplish that objective they would, aside from clearing certain areas along the Peiping-Hankow line, require also to obtain control of Chinese-held portions of the Hankow-Canton line. With the losses which General Chennault and his American and Chinese airmen are inflicting on Japanese shipping, both along the coast and on the Yangtze River, coupled with the damage done by American submarines operating in the China Seas, the Japanese have good reason to think in terms of developing land communications.

Men who have a real acquaintance with the situation consider that the way to break up the Japanese empire is to destroy her shipping. The main weakness in the safeguarding of her newly acquired territories lies in the fact that they are not connected with Japan nor, for that matter, with each other by any good land routes. Even in China, Japan has no usable route to Central China for maintaining her forces in that area and for moving supplies out except the Yangtze River; and as regards the ports which she holds along the coast from Shanghai south there are no railways or improved highways connecting them, so again, there is need to rely on shipping which is extremely vulnerable to attacks. As her shipping lines continue to suffer it is only natural that Japan will have to attempt to strengthen her land communications, especially in China, where she is not only vulnerable to attack but in which country she will conceivably require to make her last line of defense outside of the islands themselves.

It would seem of vital importance that the allies should throw the necessary weight against the Japanese forces which have penetrated into India to prevent them cutting the supply routes to the Upper Assam airports from which planes carry supplies to the Chinese armies and to General Chennault's air force. Not only is it essential that our air route facilities should be maintained but they should be increased; and one hardly needs to be an aviation expert to appreciate that the simplest way to increase the tonnage is to provide more of the larger type of transport planes. Not only

will such planes deliver more supplies to Kunming and other points in China but they will do it at less cost and without requiring to refuel in China. And, also, what is important, they will increase the tonnage capacity of airports at either end. This is no small item when it is recalled as was pointed out last Tuesday by the gentleman from Montana [Mr. MANSFIELD] in a very clear discussion of this important subject. The gentleman from Montana stressed the need of providing more planes for the Assam-China air route, but I do not recall that he emphasized the advisability of using larger types of transport planes, like for instance the so-called Sky-Master now being produced on an assembly line basis at the Douglas plant in Chicago.

Mr. Chairman, with the importance to the whole Allied cause of preventing Japan from succeeding in her latest effort to isolate China and develop land communication routes like opening the railway from north to south and seizing airports near the Yangtze and coastal areas from which Allied planes are operating against Japanese shipping, and so forth, and so forth. I want to inquire why the lend-lease authorities who had it in their power to allocate planes have so far failed to provide a fleet of large transport planes of say, the Skymaster type for use on the India-China air route? This is a matter of grave importance to the American people as well as all the allies and it is worthy of immediate attention.

Another important point in favor of this action is that in case the Japanese succeed in cutting the Assam railway supply line even for but a temporary period, it will be possible, by the use of such larger planes with their longer range, for us to maintain communications with China and this for the reason that such large capacity planes having longer range can take off from points to the west of the Japanese penetration.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the proposed amendment requiring congressional approval for the disposal of surplus lend-lease material would do nothing but create confusion.

Title to all lend-lease equipment and supplies—with a few very minor exceptions—is retained by the United States. All of the lend-lease agreements provide that the President can recapture for the use of the United States any lend-lease supplies or equipment which are not destroyed, consumed, or exhausted. There has never been the slightest doubt or question in the minds of the lend-lease countries about this clearly reserved power of the United States. This power is further buttressed by the legal requirement that no lend-lease country can retransfer any lend-lease supplies to another country without the consent of the United States.

Almost every day guns, munitions or other equipment lend-leased to one country is retransferred to another in

line with the strategy and exigencies of the war.

No one can seriously think that Congress is equipped to or wants to handle this kind of varied, complex, and detailed administrative problems. For if it tried to do so, Congress would have to give its formal approval through committee action and the vote of the whole Congress every time a jeep originally made available for Russia is turned over to Tito's partisans or a plane supplied to Britain is redistributed to China. Various aspects of these problems arise virtually every day on every battle front of the world and in every lend-lease supply depot outside the United States. They require immediate solution.

Every day some piece of lend-lease property is damaged and must be disposed of. Today it may be a Martin Marauder lend-leased to Dutch flyers and severely damaged by Japanese anti-aircraft fire over New Guinea. Tomorrow it may be a sack of flour damaged by salt water while being shipped to Russia or Britain.

Every day as the forces of the United Nations move forward toward the centers of Axis resistance, they leave behind them some lend-lease supplies which were procured for the spot those forces have just vacated and cannot be used at the spot to which they have advanced.

Each of these cases presents a problem that must be settled on its own facts. Foodstuffs damaged while in transit to the Soviet Union might be left in the hold of the merchant vessel because of the extreme scarcity of ballast that can be picked up at Russian ports for the return voyage. Foodstuffs damaged while in transit to Britain might be sent to a reclamation plant. And foodstuffs damaged while in transit to north Africa might be dumped in the ocean because there are no reclamation plants there and because it is more important to the war effort to bring back some other cargo than to bring the damaged food back to a reclamation plant in this country. No matter which solution is chosen, the important thing is to have an on-the-spot decision so that shipping and warehouse space will not be tied up.

These day-to-day operating problems are arising constantly today. They will arise with greater and greater frequency as the war draws to a victorious close. Obviously Congress is not equipped and does not desire to consider each of them as it arises. If it tried to do so, Congress would have time for nothing else and would delay the disposal of lend-lease property for years.

Congress' interest in surplus property disposal is not with these operating problems but with over-all policies governing the disposal not only of surplus lend-lease materials but of all surplus war materials. More than 35 bills attempting to lay down principles to guide the solution of this bigger problem have already been introduced into Congress, and more than 15 congressional committees are now studying the problem. I am sure that the Congress will soon pass legislation governing the disposal of all surplus war properties. I am also sure that such



legislation will create some agency to lay down policies for all Government agencies holding surplus property and will set up some standards to guide the agency laying down the policies.

The proposed amendment, if adopted, could do nothing but interfere with the development of a sound policy for the disposal of all surplus war properties. It would, in effect, say to the agency responsible for over-all policy that you can set policies for the disposal of all surplus war properties except lend-lease materials, and that the Congress is going to decide how each of hundreds of thousands of pieces of surplus lend-lease material in the hands of each of some 40 lend-lease countries will be disposed of. Such a division of authority could lead only to confusion and divergence of policy. What we need is a unified policy, not a division of authority.

Mr. BLOOM. The gentleman knows that at the present time there are 35 different resolutions already introduced in the Senate and the House that apply to this one thing, for the disposition of the surplus material of the Army, the Navy, the Marine Corps, and lend-lease—and these committees are considering this now. They should dispose of it and make disposition of it all at one time.

Mr. LUTHER A. JOHNSON. The gentleman is right. We should have an over-all policy with reference to all surplus war materials, not only with reference to lend-lease material, but with reference to all surplus material used during the war and afterward. The committees of Congress are now working on it. We should not say with reference to lend-lease material, that we have one policy and with reference to other war materials some other policy.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Texas, like many of the gentleman discussing the other amendment, has failed to discuss the amendment. There is nothing in this amendment that remotely refers to most of the argument that has just been made. So far as material moving with the armies of the world, the Allied forces, this amendment has nothing to do with it whatsoever. This amendment is directed to the final settlement.

As we are situated today, unless we change it, whoever is President will have the right to continue the give-away policy of the goods and supplies of this country that have been wrung from the sweat and toil and sacrifice of the people of this country who are paying these taxes for the colossal and necessary expense and the colossal and unnecessary waste that has obtained throughout our waging of the war. This refers to the final settlement when there will be billions of dollars worth of matériel, not old worn-out tanks and jeeps, but battle-ships and destroyers, airplanes, and expensive bombers and of everything that we are sending to the four corners of the earth to help win this struggle and we are going to be left in the position where the final settlement will rest with the President of the United States, and un-

less Congress takes a different position from what it is taking today on lend-lease, even though there may be 35, yes, 55 resolutions introduced, it seems that it shall be the will of this Congress, unless they change, that none of them will amount to anything, and this great responsibility will be left in the hands of the Chief Executive, notwithstanding who he may be.

I look upon this resolution as an opportunity of the Representatives of the people and as a responsibility, the solemn responsibility of the Representatives of the people, to protect the interests of the people of this country; a call to the Congress on both sides of the aisle to put themselves in the position where the Congress of the United States finally can and will speak up for the American people and the American Republic who, after all, have gone through such tremendous sacrifices and expenses toward a successful conclusion of the war. It is solely applied in the interest of the people in this country. It is an opportunity to put the Congress of the United States on a parity with the Parliament of Great Britain, and I think that the Congress ought to take this opportunity now to respond to the will and to the protection of the people of this country.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. As we go into the post-war period in an effort to give work to the ten or twelve million men and women who will come back from military service into peacetime endeavors, we will need every pound of scrap iron that is possible for American industry to round up, to feed into the furnaces with the raw ore, because we have to have scrap in order to manufacture steel products. Whether you address it to scrap iron or otherwise, it is worth being brought back to this country in our own ships to maintain employment, instead of having it go for scrap to some other country on a gratuity basis or some other agreed price.

Mr. VURSELL. There is no question but what the gentleman is right. We are not only giving some of the finest flower of American manhood in this war but we are exhausting the natural resources of this country, and this will be an opportunity to get some of that back.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes to answer the gentleman from Texas.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Chairman, the gentleman who just spoke has correctly stated that the gentleman from Texas did not speak to my amendment. My amendment has nothing to do with lend-lease during the war. It is the post-war settlement that my amendment applies to, and I want to make that point absolutely clear in the minds of the Members of the House. It has nothing to do with lend-lease. I voted for lend-lease and I shall vote for this bill, but I do beg and implore you to protect your

men, your boys who are fighting today, to make sure that the supplies that are going over there now shall never be used against them to further some other government's interests.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not intend to take 5 minutes. I just want to make one or two observations. In the first place, I believe the gentleman from Texas did address himself to the amendment offered by the gentlewoman from Massachusetts, because insofar as any particular store of military matériel is concerned, there is a final settlement as soon as that is disposed of.

Final settlement does not necessarily mean the last settlement that exists between two or more countries. Final settlement, insofar as any material is concerned, occurs when that material is disposed of, and final settlements are being made with reference to certain military matériel all during the progress of the war. If those final settlements had to be brought back to the Congress for deliberation and action we would not have the settlements made and we would not have the war fought with the efficiency and dispatch with which the war must be fought.

There is no essential difference between this amendment and the amendment that was defeated in the House. The amendment that was defeated addressed itself to a financial accounting. This amendment comprehends material rather than the money which it represents. Remembering that the title to the material in lend-lease remains in the United States, and also that this House has decided that it is not going to bring this final, elaborate accounting back to the House, there is no reason why we have to bring back an assay or estimate of the disposition of the stock pile itself.

Mrs. ROGERS of Massachusetts. It seems to me this is a very different amendment from that offered by the gentleman from West Virginia and was so considered when we discussed it when we were writing the report. Of course, the President can bring the material back if he wishes but also he can leave it in foreign countries. I feel that the President—I do not mean the present President, because we do not know how long the war will last—but any President ought to be glad to have the consent and the approval of Congress before he makes final disposition of defense material. I say, the fact that there are 35 resolutions for the disposal of surplus supplies in the Senate and several in the House shows the interest and the way the public feels.

Mr. WRIGHT. May I say in answer to the gentlewoman that I have sufficient confidence in the American people to believe that they are not going to elect a President who will be either so stupid or so unpatriotic as to dispose of the military equipment of the United States in order to help some foreign nation that has malicious designs against us.

There is one more point I forgot to make that the gentlewoman brought out in her argument. She stated that one of



the countries might make a separate peace. Is anybody so foolish as to believe that if a country broke its agreement with us by making a separate peace with our enemies it would pay any attention to any law we passed in this Congress as to any equipment it might have on hand at that time?

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from North Carolina.

Mr. FOLGER. May I ask the gentleman if this amendment, that nothing in paragraph 1 of this subsection shall be construed to authorize the President—whether he is one man or another does not make any difference—to enter into any official settlement with respect to the disposition of defense articles in the possession of any government, does not have the practical result of making it physically impossible to dispose of it at all? They will just have to go off and leave it until Congress sees fit to approve.

Mr. WRIGHT. That is right. I can very easily fancy years of debate as to what is going to happen with this stock pile or that. I think from the point of view of efficiency it is extremely unwise.

May I say this in closing: What I am particularly concerned about is that we do not change the rules of the game in the middle of the war and that we do not say to the foreign nations that we have no confidence in our military leaders, and no confidence in the Lend-Lease Administration, and thus very seriously injure the bargaining power of this country in dealing with the great nations of the world.

Mr. DEWEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I shall vote for the lend-lease bill when it comes to a vote, no matter what provisions are put in or left out, but I do not like this idea of saying that we will hurt our war effort by eliminating our bargaining power after the war is over.

I expressed my surprise here about 2 weeks ago when it was stated in the papers that the Treasury Department had come to final agreements with the other nations of the world as to the general policy of post-war financing. We want to keep ourselves in a bargaining position; we want to do our best and our part with all well-disposed nations. But I can see nothing in the amendment offered by the gentleman from Massachusetts that has anything to do with the present business of lend-lease. After the war is over, we can then take up the matter of our existing lend-lease supplies in various countries and bargain with those countries.

I think that when you gentlemen go home this summer and meet your constituents who have paid their March 15, their June 15, and will pay their September 15 tax bills, and when they know that the public debt of the United States will probably be \$300,000,000,000, you will find that they will want to have you keep your finger on everything that belongs to this country. I shall vote for the lend-lease bill to help our war effort. But do not give away your bargaining power around the peace tables.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mrs. ROGERS].

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 94, noes 114.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. ROGERS of Massachusetts and Mr. Bloom.

The Committee again divided; and the tellers reported that there were—ayes 97, noes 124.

So the amendment was rejected.

Mr. LEMKE. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: Page 2, add a new section 3:

"SEC. 3. No part of the funds of lend-lease or goods under lend-lease shall be used in or given to any nation not actively engaged in war against Germany or its allies: *Provided*, That no part of lend-lease shall be given to any nation unless it promotes and assists our war effort: *And provided further*, That no farm implements or other machinery or goods be given to people of other nations that are essential for our own welfare unless they are essential in our war effort, or unless required to feed and clothe the people of nations occupied by our enemies or recovered from them by the armed forces of the United Nations."

Mr. LEMKE. Mr. Chairman, I feel the time has come to give some thought to our own people, as well as to foreign people. I, too, intend to vote for the extension of lend-lease, but that does not mean I am going to surrender the opportunity of improving it. I believe there is abundant evidence that at least one-third of lend-lease has been wasted and perhaps boondoggled. This in Latin America and other countries. This did not aid the war effort.

The time has come when we must demand that all of lend-lease be used to help in the war effort. Therefore, I have proposed this amendment. This amendment does not interfere with the power of the President nor with his discretion, except that it limits him in using the funds for the purposes for which lend-lease was originally passed, namely, to win the war.

This war is not over; let us bear that in mind. Many more sacrifices have to be made and it is more than possible that it will continue for a year or two. If we continue to wreck our own Nation by useless waste, then we will prolong the war and not shorten it. Let us remember that we constitute about 6 percent of the population of the world. We have less than 10 percent of the raw material of the world, yet we have furnished more than 50 percent of the energy and material that has gone into this war.

When this war is over, it has been estimated we will owe \$358,000,000,000, which is almost equal to the entire amount spent in the war effort by all belligerents and it is almost equal to the indebtedness of all the other nations with whom we are engaged in winning this struggle. Therefore, I say, let us protect our own people. Let us protect the financial

structure of this Nation, and let us protect the people who are producing the things we need in this war.

We know a great many farm implements have been taken away from our own people and given to foreigners who do not know how to use them. We know a great deal of essential material and manufactured goods that we need for our own use has been given to foreigners and thrown away. In some cases, the semi-civilized natives did not know what use to make of these things. But the time has come, I repeat, for us to think of the American people as well as of foreigners. As long as I am a Member of Congress I shall never forget my responsibility to the United States of America, as well as to the United Nations with whom we are engaged in this war.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think Members ought to specify and particularize when they make charges that one-third of lend-lease has been wasted and one-third has been boondoggled. Those statements are rather dangerous for a Member to make on the floor of the House. I think it is a fine thing for Members to take the floor and specify when they think something is being done that should not be done, or to comment on something they feel should be done, that is not being done, and to make constructive criticisms. We must keep in mind that whatever is done under lend-lease is done with the authority and permission of, and in cooperation with, our military leaders. The gentleman from North Dakota, whom I like very much, and I am speaking temperately, charges one-third has been boondoggled and one-third wasted. Those are serious charges to make with the country at war. Responsible Members make specific charges and then constructively suggest what they think should be done by way of improvement.

The gentleman says the war effort is not over. I agree with him. We all agree to that. All Americans agree with that statement; and yet the gentleman offers an amendment which, if adopted, would have a limiting effect upon the conduct of the war by our military leaders. In no heated sense, but in a most impersonal manner, I make these observations in the hope that future statements of a general nature will not be indulged in or at least that they will be made with restraint, and particular illustrations given. In the case of the gentleman from North Dakota he might give an illustration of where he thinks there is money wasted or where boondoggling is being engaged in. We must remember that the military leaders in the various theaters in which the war is being carried on, pass upon everything that is done.

Certainly, we have confidence in our military leaders. In time of war we must have confidence in them. If they are not doing their jobs, then they must be replaced by somebody who will do the job.

Mr. LEMKE. Will the gentleman yield?

Mr. McCORMACK. I am not entering into any controversy with the



gentleman. Because of the fact that the gentleman's amendment would have a limiting effect upon the ability of our military leaders to conduct the war, and the further fact which the gentleman so frankly admitted, that the war is not over yet, with which statement I agree, I hope the gentleman's amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. LEMKE].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAGNUSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4254) to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended, pursuant to House Resolution No. 498, reported the bill back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BLOOM. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 334, nays 21, not voting 74, as follows:

[Roll No. 56]

YEAS—334

Abernethy	Burdick	Dondero
Allen, La.	Burgin	Doughton
Andersen,	Busbey	Douglas
H. Carl	Butler	Drewry
Anderson,	Byrne	Durham
N. Mex.	Camp	Dworshak
Andresen,	Canfield	Eaton
August H.	Cannon, Mo.	Eberhart
Andrews, N. Y.	Capozzoli	Elliott
Angell	Carlson, Kans.	Ellis
Arends	Carrier	Ellison, Md.
Auchincloss	Case	Ellsworth
Baldwin, Md.	Ceiler	Elston, Ohio
Baldwin, N. Y.	Chapman	Fay
Barden	Church	Feighan
Barrett	Clark	Fenton
Barry	Clason	Fernandez
Beall	Cochran	Fish
Beckworth	Cole, Mo.	Fisher
Bell	Cole, N. Y.	Fitzpatrick
Bender	Colmer	Flannagan
Bennett, Mo.	Cooley	Folger
Bishop	Cooper	Forand
Blackney	Costello	Fuller
Bland	Courtney	Fulmer
Bloom	Cox	Gale
Bolton	Cravens	Gallagher
Bonner	Crosser	Gamble
Bradley, Pa.	Cunningham	Gathings
Brehm	Curley	Gavin
Brooks	Curtis	Gearhart
Brown, Ga.	D'Alesandro	Gerlach
Brown, Ohio	Davis	Gibson
Brumbaugh	Dawson	Gifford
Bryson	Delaney	Gilchrist
Buckley	Dewey	Gillespie
Bulwinkle	Dickstein	Gillette
Burch, Va.	Dillweg	Goodwin
Burchill, N. Y.	Dingell	Gordon

Gore	Luce	Robertson
Gorski	Ludlow	Robinson, Utah
Gossett	Lynch	Robson, Ky.
Grant, Ala.	McConnell	Rockwell
Grant, Ind.	McCord	Rodgers, Pa.
Gregory	McCormack	Rogers, Calif.
Gwynne	McCowan	Rogers, Mass.
Hagen	McGehee	Rohrbough
Hale	McGregor	Rowan
Hall,	McKenzie	Rowe
Edwin Arthur	McLean	Sabath
Hall,	McMillan	Sadowski
Leonard W.	McMurray	Sasser
Halleck	McWilliams	Satterfield
Hancock	Madden	Sauthoff
Hare	Magnuson	Scanlon
Harness, Ind.	Mahon	Schiffler
Harris, Ark.	Maloney	Schwabe
Harris, Va.	Mansfield,	Scott
Hart	Mont.	Simpson, Ill.
Hartley	Mansfield, Tex.	Simpson, Pa.
Hays	Marcantonio	Smith, Maine
Hébert	Martin, Iowa	Smith, Va.
Heffernan	Martin, Mass.	Smith, W. Va.
Herter	May	Snyder
Hess	Merritt	Somers, N. Y.
Hill	Merrow	Spence
Hinshaw	Michener	Springer
Hobbs	Miller, Conn.	Stanley
Hoeven	Miller, Mo.	Stearns, N. H.
Holfield	Miller, Nebr.	Stevenson
Holmes, Mass.	Miller, Pa.	Stigler
Holmes, Wash.	Mills	Stockman
Hope	Monkiewicz	Sullivan
Horan	Morrison, La.	Summers, Tex.
Howell	Mott	Sundstrom
Hull	Mruk	Taber
Izac	Mundt	Talbot
Jackson	Murphy	Talle
Jeffrey	Murray, Tenn.	Tarver
Jenkins	Murray, Wis.	Taylor
Jennings	Newsome	Thomas, Tex.
Johnson,	Norman	Thomason
Anton J.	Norrell	Torrens
Johnson, Ind.	Norton	Treadway
Johnson,	O'Brien, Ill.	Troutman
J. Leroy	O'Brien, Mich.	Vincent, Ky.
Johnson,	O'Brien, N. Y.	Vinson, Ga.
Luther A.	O'Toole	Voorhis, Calif.
Johnson,	Outland	Vorys, Ohio
Lyndon B.	Pace	Vursell
Johnson, Okla.	Patman	Wadsworth
Johnson, Ward	Patton	Walter
Jonkman	Peterson, Fla.	Ward
Kean	Peterson, Ga.	Waslelewski
Kearney	Pfeifer	Weaver
Kefauver	Phillips	Welch, Ohio
Kelley	Pittenger	Wells
Keogh	Ploeser	Welch
Kerr	Plumley	Wene
Kilburn	Poage	West
Kilday	Poulson	Whelchel, Ga.
Kinzer	Powers	Whitten
Kirwan	Pracht,	Whittington
Kleberg	C. Frederick	Wickersham
Kunkel	Pratt,	Wigglesworth
LaFollette	Joseph M.	Wilson
Landis	Priest	Winstead
Lane	Rabaut	Wolcott
Lanham	Ramey	Wolfenden, Pa.
Larcade	Ramspeck	Wolverton, N. J.
Lea	Randolph	Woodrum, Va.
LeCompte	Rankin	Worley
LeFevre	Reed, Ill.	Wright
Lemke	Rees, Kans.	Zimmerman
Lesinski	Richards	
	Rivers	

NAYS—21

Arnold	Knutson	Shafer
Clevenger	Lambertson	Short
Crawford	Mason	Smith, Ohio
Day	O'Hara	Smith, Wis.
Elmer	O'Konski	Sumner, Ill.
Griffiths	Reed, N. Y.	Winter
Jones	Scrivner	Woodruff, Mich.

NOT VOTING—74

Allen, Ill.	Dies	Hendricks
Anderson, Calif.	Dirksen	Hoch
Andrews, Ala.	Disney	Hoffman
Bates, Ky.	Engel, Mich.	Jarman
Bates, Mass.	Engle, Calif.	Jensen
Bennett, Mich.	Fellows	Johnson,
Boren	Fogarty	Calvin D.
Boykin	Ford	Judd
Bradley, Mich.	Fulbright	Kee
Buffett	Furlong	Keefe
Cannon, Fla.	Gillie	Kennedy
Carson, Ohio	Graham	King
Carter	Granger	Lewis
Chenoweth	Green	Maas
Chipeweth	Gross	Manasco
Coffee	Harless, Ariz.	Monroney
Compton	Heldinger	Morrison, N. C.

Murdock	Rolph	Stefan
Myers	Russell	Stewart
O'Connor	Sheppard	Thomas, N. J.
O'Neal	Sheridan	Tibbott
Philbin	Sikes	Tolan
Price	Slaughter	Towe
Reece, Tenn.	Sparkman	White
Rizley	Starnes, Ala.	Willey

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Graham for, with Mr. Hoffman against.

General pairs:

Mr. O'Neal with Mr. Compton.  
Mr. Kennedy with Mr. Lewis.  
Mr. Fulbright with Mr. Calvin D. Johnson.  
Mr. Starnes of Alabama with Mr. Tibbott.  
Mr. Fogarty with Mr. Gross.  
Mr. Sparkman with Mr. Engel of Michigan.  
Mr. Sheppard with Mr. Willey.  
Mr. Green with Mr. Allen of Illinois.  
Mr. Kee with Mr. Carson of Ohio.  
Mr. Manasco with Mr. Dirksen.  
Mr. Andrews of Alabama with Mr. Thomas of New Jersey.  
Mr. Engle of California with Mr. Keefe.  
Mr. Slaughter with Mr. Towe.  
Mr. King with Mr. Reece of Tennessee.  
Mr. Myers with Mr. Anderson of California.  
Mr. Dies with Mr. Gillie.  
Mr. Tolan with Mr. Chenoweth.  
Mr. Boykin with Mr. Jensen.  
Mr. Philbin with Mr. Rolph.  
Mr. Hendricks with Mr. Fellows.  
Mr. Furlong with Mr. Rizley.  
Mr. Hoch with Mr. Stefan.  
Mr. Jarman with Mr. Maas.  
Mr. Monroney with Mr. Heidinger.  
Mr. Granger with Mr. Judd.  
Mr. Disney with Mr. Bennett of Michigan.  
Mr. Coffee with Mr. Carter.  
Mr. Bates of Kentucky with Mr. Bradley of Michigan.  
Mr. Ford with Mr. Chipeweth.  
Mr. White with Mr. Buffett.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on the following Monday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech delivered before the Jersey City Real Estate Board in my district.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article which appeared in the New York Sun on April 10.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]



(Mr. REED of New York and Mr. SMITH of Wisconsin asked and were given permission to extend their remarks in the RECORD.)

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks made in the Committee of the Whole this afternoon and to include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the Flathead Monitor.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article which appeared in the Washington Post today written by Melvina Lindsay.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on next Tuesday, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that on Tuesday next, following the gentleman from California, the gentleman from New York [Mr. KLEIN] may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

#### ADDITIONAL COPIES OF HEARINGS RELATIVE TO POST-WAR PLANNING

Mr. BULWINKLE. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1358) back favorably without amendment, a privileged resolution (H. Con. Res. 80) authorizing the Committee

on Public Buildings and Grounds of the House of Representatives to have printed for its use additional copies of the hearings held before said committee during the current session relative to post-war planning.

The Clerk read the resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2, of the Printing Act approved March 1, 1907, the Committee on Public Buildings and Grounds of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use, 1,000 additional copies of the hearings held before said committee during the current session relative to post-war planning.*

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and include therein certain governmental information.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks will appear hereafter in the Appendix.]

#### EXTENSION OF REMARKS

Mr. BRUMBAUGH. Mr. Speaker, on April 18 I was granted unanimous consent to extend my own remarks in the RECORD and include an address by Mr. Miles F. Hollister, of Altoona, Pa.

I have been informed by the Public Printer that the address will require 3½ pages of the RECORD, the cost of which will be \$157.50.

I ask unanimous consent that, notwithstanding the cost, I be permitted to extend my remarks in the Appendix of the RECORD and include therein the address referred to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COOPER. Mr. Speaker, I offer a privileged resolution, and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 509), as follows:

*Resolved, That CARTER MANASCO, of the State of Alabama, be, and he is hereby, elected chairman of the standing committee of the House of Representatives on Expenditures in the Executive Departments.*

The resolution was agreed to.

#### AMENDMENT OF MERCHANT MARINE ACT, 1936

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3257) to amend Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended, to authorize suspension of the statute of limitations in certain cases, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 15, strike out "four" and insert "two."

Page 2, line 16, after "hereof", insert "": *Provided*, That no such agreement or modification shall be entered into in any case where the right to sue the United States has expired at the time of making the agreement or modification unless made within 60 days after the enactment of this proviso."

Page 2, after line 16, insert:

"Sec. 2. Whenever the Administrator, War Shipping Administration, finds that a meritorious claim arising on or after December 7, 1941, against the United States, or any agent or employee thereof, for loss of or damage to cargo has lapsed by reason of failure to commence suit against the United States or any agent or employee thereof within the time provided by law, and that such failure to institute suit was based on lack of information not resulting from lack of due diligence, or other causes sufficient in the opinion of the Administrator to excuse such failure to institute suit, the Administrator may compromise, or settle any such claim on the same basis as though the time for suit had not expired: *Provided, however*, That nothing in this section shall be deemed to extend the time to commence suit."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the Senate amendments?

Mr. BLAND. All of the Senate amendments are restrictive upon the bill passed by the House. In the first place, we provided for an extension of 4 years. The Senate amendment makes it 2 years.

Then there was a question as to the authority of the Administrator to waive the statute of limitations. That was in our bill, but there is a reservation, where they have the right to sue, that it shall be exercised within 60 days. And there is also a limitation on the right to sue the United States.

Mr. MARTIN of Massachusetts. I withdraw my reservation, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### FOREST FIRE PROTECTION

Mr. SABATH. Mr. Speaker, I call up House Resolution 489 and ask for its immediate consideration.

The Clerk read the resolution, as follows:







78TH CONGRESS  
2D SESSION

# H. R. 4254

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IN THE SENATE OF THE UNITED STATES

APRIL 21 (legislative day, APRIL 12), 1944

Read twice and referred to the Committee on Foreign Relations

---

## AN ACT

To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That subsection (c) of section 3 of an Act to promote the  
4        defense of the United States, approved March 11, 1941, as  
5        amended, is amended by striking out "June 30, 1944"  
6        wherever it appears therein and inserting in lieu thereof  
7        "June 30, 1945"; by striking out "July 1, 1947" and  
8        inserting in lieu thereof "July 1, 1948"; and by striking  
9        out "July 1, 1944" and inserting in lieu thereof "July 1,  
10       1945"; and subsection (b) of section 6 of such Act is

78TH CONGRESS  
2D Session

# H. R. 4254

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Read twice and referred to the Committee on  
Foreign Relations

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF THE HISTORY OF ARTS  
AND ARCHITECTURE

OFFICE OF THE  
DEAN

CHICAGO, ILL.

MEMORANDUM FOR THE DEAN

FROM: [Name]

SUBJECT: [Subject]

DATE: [Date]

1. [Text]

2. [Text]

3. [Text]

4. [Text]

5. [Text]





LE COPY

LEGISLATIVE SERVICE AND SERVICE SECTION  
Office of Budget and Finance

# EXTENSION OF LEND-LEASE ACT

Please return to  
LEGISLATIVE SERVICE AND SERVICE SECTION  
Office of Budget and Finance

## HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

SEVENTY-EIGHTH CONGRESS

SECOND SESSION

ON

H. R. 4254

AN ACT TO EXTEND FOR ONE YEAR THE PROVISIONS  
OF AN ACT TO PROMOTE THE DEFENSE OF  
THE UNITED STATES, APPROVED  
MARCH 11, 1941, AS AMENDED

APRIL 26, 1944

Printed for the use of the Committee on Foreign Relations



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1944

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# EXTENSION OF LEND-LEASE ACT

WEDNESDAY, APRIL 26, 1944

UNITED STATES SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
Washington, D. C.

The committee met, pursuant to call, at 10:30 o'clock in the committee room in the Capitol, Senator Connally (chairman) presiding.

Present: Senators Connally (chairman), Green, Guffey, Tunnell, Vandenberg, White, and Austin.

The committee met to consider H. R. 4254, a bill to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended; said bill being as follows:

[H. R. 4254, 78th Cong., 2d sess.]

AN ACT To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of an Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy, or any post-war policy involving international relations except in accordance with established constitutional procedure."

Passed the House of Representatives April 19, 1944.

Attest:

SOUTH TRIMBLE, Clerk.

The CHAIRMAN. The committee will be in order.

The purpose of the hearing today is to consider H. R. 4254, a bill to extend lend-lease to June 30, 1948. Mr. Crowley, the Foreign Economic Administrator, is present, with his general counsel, Mr. Cox, and other members of his staff.

## STATEMENT OF HON. LEO T. CROWLEY, FOREIGN ECONOMIC ADMINISTRATOR

(Mr. Crowley was accompanied by Oscar Cox, general counsel, George W. Ball, associate general counsel, and others, from the Foreign Economic Administration.)

The CHAIRMAN. Have you a program to propose, Mr. Crowley?

Mr. CROWLEY. We have prepared a statement, Mr. Chairman, for the committee. It is rather a lengthy statement, and if the members have no objection I would like to make it a part of the record and not take the time of the Senators by going into the detailed reviewing of it.

The CHAIRMAN. Very well. Without objection? Mr. Crowley's prepared statement will be inserted in the record at this point.

(The statement referred to is as follows:)

STATEMENT OF THE HON. LEO T. CROWLEY, FOREIGN ECONOMIC ADMINISTRATOR, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE ON THE EXTENSION OF THE LEND LEASE ACT, APRIL 26, 1944

I

Lend-lease is a weapon for victory. It is at work against our enemies today on every battlefield of the world.

In Europe the war of the United Nations is being carried toward the main centers of German resistance. From the west the United States and British Air Forces have been striking tremendous blows at the German aircraft industry and Luftwaffe. In 1942 the Nazis laid plans to quadruple their production of fighter planes by April 1, 1944, in an attempt to fight off the air offensives that even then were threatened from Britain. Our joint air offensives, however, have wrecked these plans. From the inception of the strategic bombing raids with the attack on the Focke-Wulf factory in Bremen on April 17, 1943, plants producing Nazi fighters and their component parts such as engines and ball bearings have been attacked again and again. On 6 successive days last February, for example, factories producing more than 60 percent of the Nazis' single-engine planes and more than 80 percent of their twin-engine planes were bombed. By the end of March German fighter production had been forced back below the monthly rate of August 1942, and for April, instead of being quadrupled, it will be lower still.

This strategic bombing in western Europe has aided the advances of the Soviet armies on the eastern front and our own forces in Italy by tying down in western Europe a large portion of the Nazi fighter force. Our combined bombing offensive is also wearing down the power of the Nazi air force to fight back when the great land offensives begin. In trying to protect their aircraft factories from our bombers, the Germans for 3 successive months have lost more planes than their plants could turn out. Now medium bombers and fighters of the American, British, and Allied Air Forces are also striking daily with greater and greater effect at German invasion defenses, airfields, and communication lines in France, Belgium, and Holland.

Lend-lease and reverse lend-lease have played vital roles in this air offensive. A large proportion of the medium bombers used by the R. A. F. and Allied airmen against the invasion coasts have been supplied from American factories under lend-lease. The Royal Air Forces' night missions have been flown principally in the great 4-engine Lancaster and Halifax bombers—all produced in British factories. Britain has produced more than 90,000 planes of all types since the outbreak of the war, and she is today producing more planes than all the factories at Hitler's command in Europe. This great plane production record could not, however, have been achieved

without supplemental supplies from the United States, without the additional machine tools, aircraft engines and parts, steel, and other metals that the British needed for the production of bombers and fighters, as well as the food required to sustain the workers in the aircraft factories.

By the first of March 1944 we had sent to the British under lend-lease \$390,000,000 of machinery and tools, \$545,000,000 of aircraft engines and parts and \$603,000,000 of steel and other metals. By that date the United Kingdom had obtained an additional \$155,000,000 worth of machine tools, \$241,000,000 worth of aircraft engines and parts, and \$208,000,000 worth of steel and other metals from the United States through cash purchases. To help the R. A. F. maintain the terrific pace of its nightly missions, we have also sent great quantities of demolition and incendiary bombs, ammunition for aircraft guns and high octane aviation gasoline.

Just as the R. A. F.'s operations against Germany and the invasion coasts would not have been possible on their present scale without lend-lease, so the United States Eighth and Ninth Army Air Forces' daylight missions flown from Britain would not have been possible without reverse lend-lease. Our Fortresses and Liberators and their fighter escorts take off from huge air bases built, equipped and serviced under reverse lend-lease by the British at a cost to them of hundreds of millions of dollars. Many of our fighter pilots fly Spitfires built in England. Many more are flying American fighter planes powered by British Rolls Royce Merlin engines, the designs of which were turned over to us by the British. And many of the supplies needed by our Air Forces are procured in Britain without cost to us as reverse lend-lease. In fact our armed forces in Britain, ground as well as air, receive as reverse lend-lease—without payment by us—one-third of all of the supplies and equipment they currently require. Britain furnishes almost 90 percent of their medical supplies and—in spite of her food shortage—20 percent of their food.

The air offensive upon Germany is a combined operation in every sense of the word. Norwegian, Czech, Belgian, Polish, and Canadian, as well as British and other Allied fliers, using British, Canadian, and American lend-lease planes, are doing their full part. Unity of command has permitted the freest interchange and the most effective use of fighting manpower; and lend-lease and reverse lend-lease have made possible the efficient pooling of our material resources and industrial capacity. On these two great principles rest our entire organization for waging war. The flexible, strategic use of fighting men and of fighting resources wherever they are needed is the key to our war operations. These are the only possible principles which could permit us to fight a successful war of coalition on a world-wide basis. They are essential to the most effective prosecution of the war.

On the eastern front there are no American fighting men, but there are plenty of American fighting weapons. The Soviet armies have driven the Nazis back 800 miles since Stalingrad in the greatest land offensive of all time. They have liberated the Ukraine and recaptured Odessa. They have swept through the Crimea and besieged Sevastopol. They have liberated the greater part of Russian soil and crossed the borders of Rumania and Czechoslovakia. They are now preparing new offensives to bring them closer still to Hitler's inner defenses.



The Soviet forces that have won these magnificent victories have been equipped principally from Russia's own industries, but American lend-lease aid and British and Canadian mutual aid have played significant roles. By March 1, 1944, we had sent to the Soviet Union under lend-lease 8,800 planes and 5,200 tanks and tank destroyers. Britain and Canada under their mutual-aid programs have sent additional thousands of planes and tanks, as well as great quantities of other war supplies.

Lend-lease has aided the Soviet Union in other vital fields as well. By March 1, 1944, we had sent almost 7,000,000 pairs of army boots and 581,000 tons of aviation gasoline and other petroleum products. At the same time, in order to reduce the Red Army's need for fuels from the United States, we sent 144,000 tons of refinery equipment for installation in the Union of Soviet Socialist Republics. We also sent 1,450,000 tons of steel, 420,000 tons of aluminum, copper, and other nonferrous metals, and \$426,337,000 worth of industrial equipment and machine tools for the production in Soviet factories of artillery, tanks, planes, and other war weapons.

The Ukraine is the Soviet Union's bread basket. Just now liberated, it has been under the Nazi heel for over 2 years. The resulting food shortage in Russia has been acute. The rations of the Soviet Army have been maintained only by very severe rationing of the civilian population—which still continues—and by the shipment of 2,600,000 tons of food from the farms of the United States. This has been only a small proportion of our food supply—less than 4 percent—and only a small part of Russia's total supply as well. But it has been a vital part. Lend-lease food, as every American who has visited the Russian front has reported, has been as important in its way to the Soviet fighting men as guns and tanks.

In addition to food, we have also sent almost 13,000 tons of seeds. The farmers of the Union of Soviet Socialist Republics are using these seeds to replant the acres of the devastated Ukraine and continue the development of new agricultural regions far in the interior.

Perhaps the greatest lend-lease contribution has been the assistance rendered to the Red Army in maintaining its lines of communication and supply. Distances in Russia are great, and the Red Army's lines of communication are growing longer as the advance toward the German border continues. The United States by March 1, 1944, had sent 185,000 military trucks, 35,000 jeeps, and about 27,000 other military vehicles, half of all the motor vehicles that have been sent abroad under lend-lease; over 350,000 tons of rails, wheels, and axles, in addition to a number of locomotives and freight cars; and about 850,000 miles of field telephone wire and 275,000 field telephones. The Government and people of the Soviet Union deeply appreciate the assistance that lend-lease supplies have rendered to their magnificent fighting effort. Marshal Stalin himself has paid public tribute to the role of American production in turning the tide of battle. And just the other day Commissar of Foreign Trade Mikoyan took occasion to tell Ambassador Harriman in Moscow how great a contribution American trucks and other lend-lease supplies had been to the recapture of Odessa and the Crimea.

By March 1, 1944, lend-lease exports to the Union of Soviet Socialist Republics totaled \$4,727,000,000. On July 1, 1943, these had totaled only \$2,444,000,000. By that time British shipments of military

supplies to Russia under her mutual-aid plan had already totaled approximately \$716,000,000. Britain and Canada have since sent large additional quantities of war supplies to the Soviet Union.

Every dollar's worth of war supplies we and the British Commonwealth send to Russia enables the Red Army to strike harder blows at our common enemy. Already the Red Army has put out of action millions of Nazi soldiers and tens of thousands of Nazi planes, tanks, and guns. And every Nazi soldier killed and every German plane, tank, or gun destroyed by the Red Army means less opposition for American and British forces when the western invasions are launched.

In the south of Europe combined operations supported by American, Australian, British, Canadian, French, Greek, Indian, New Zealand, Polish, and Yugoslav forces have driven the Nazis out of Africa, Sicily, Sardinia, and Corsica. The battle lines have moved forward to the north shores of the Mediterranean, where the combined forces of the United Nations are now tying down an estimated 25 Nazi divisions which could otherwise be used to meet the advancing Red Army or our coming invasions. From Italy our combined air forces are bombing the Balkan centers and rail lines that are essential to German communications with the Russian front.

Lend-lease and reverse lend-lease have played vital roles in these campaigns from El Alamein to Cassino because through the mechanism of mutual aid, output of American and British factories has been pooled in such a way as to obtain the maximum impact upon the enemy. British soldiers are using some lend-lease equipment. Some of their tanks and guns that were produced in Britain were manufactured out of the steel and other materials furnished under lend-lease. American soldiers are receiving some of their planes and guns as reverse lend-lease from the British and some of their food from the French. French and Polish troops equipped with American and British guns, tanks, and trucks are fighting in Italy shoulder to shoulder with soldiers of the other United Nations. Many of the supplies needed by these fighting men have been transported to Italy in Dutch, French, Greek, and Polish merchant vessels. French warships refitted in American shipyards under lend-lease have helped establish the Italian beachheads and have attacked Axis supply lines. Recently five French warships wiped out an entire German convoy and its escort in the Adriatic. And on the eastern side of the Adriatic, Yugoslav Partisan forces equipped in part with British and American arms are fighting magnificently.

The planes, tanks, and guns, whether made in the United States or in Britain, whether operated by Soviet, British, French, Polish, Greek, Yugoslav, or American soldiers, are for a single purpose: To defeat our common enemy as quickly as possible.

In the Far East the United Nations are also on the march. They are now carrying the fight toward the inner fortresses of Japanese power. From mid-Pacific bases powerful American amphibious forces under Admiral Nimitz are pushing westward through the outer links of Japan's defenses. From the south, American, Australian, New Zealand, and Dutch forces under Admiral Halsey and General MacArthur have neutralized Rabaul and have begun the liberation of Dutch territory with the new landings at Hollandia. From Ceylon powerful task forces composed of British, Dutch, and French warships and British and American carriers under Mountbatten's command have begun to strike powerful blows at the southwestern anchor

of Japanese power in the Pacific. From India, American, Chinese, and British forces under General Stilwell are fighting their way across northern Burma, while British and Indian forces under Mountbatten are repulsing a desperate Japanese counter thrust from central Burma. And from China itself American and Chinese pilots are flying American planes to carry the war ever closer to Japan itself.

Lend-lease and reverse lend-lease are playing important roles in these offensives, too. Lend-lease shipments to China and India totaled \$1,058,420,000 by March 1, 1944. The larger part of these supplies has gone to India. The Burma Road into China is still closed. But American planes have created an aerial highway instead. It runs from Assam Province in the northeastern corner of India over mountains 15,000 feet high to Yunnan Province in the southwestern corner of China.

To build this aerial highway to China has been a tremendous task and has required time. Assam Province had practically no airfields and few communications with the rest of India.

But our sustained efforts to get aid to China by air "over the hump" from Assam are bearing fruit. The airfields have been built and the planes supplied. I cannot divulge in public hearings the volume of freight carried "over the hump," but I can tell you that in the month of December 1943 alone twice as much cargo went into China by air as was carried in the entire year 1942 and further substantial increases in our air shipments occurred in January and February of this year. Much that goes into China is not, of course, lend-lease. Our own air forces in China under General Chennault have to be supplied by air from India, too. The aviation gasoline for their operations against the Japanese in occupied China, Formosa, and Indochina, as well as their bombs and ammunition, all have to be flown in from India. But all of it—whether gasoline or bombs or other equipment—is for the war in China.

Beneath the air route, American Army engineers are building the Ledo Road, a new land route across upper Burma to China. Ahead of them clearing the Japanese from the route and cutting the enemy's communications are two Chinese divisions, equipped in India with the latest American weapons. They are fighting side by side with American veterans of Guadalcanal and Wingate's Raiders. While most of the arms with which these Chinese and American troops fight were supplied by American arsenals, the tropical uniforms that they wear, much of the food that they eat, and many of the supplies and services needed to build the bases from which they launched their offensives were furnished by India as reverse lend-lease.

To the south British and Indian soldiers under Mountbatten's command have been supplied in part from the United States under lend-lease, although most of their weapons were made either in Britain or in India. India is also a United Nations arsenal. With the help of a small amount of industrial equipment and raw materials supplied under lend-lease, she is turning out arms and other equipment not only for her own forces but for the British, Chinese, and Americans as well.

On their southern flank the Japanese are being rolled back by a combined force of Americans, Australians, Dutch, and New Zealanders. Most of the weapons for the offensives in New Guinea, the Solomons, New Britain, and the Admiralty Islands are American. But Australia,



New Zealand, and Britain are also producing planes, guns, landing barges, and other munitions for these offensives with the help of lend-lease machine tools and raw materials. Most of the food consumed in these campaigns has been supplied by Australia and New Zealand. American forces alone have received as reverse lend-lease 800,000,000 pounds of food from Australia and New Zealand. And at the same time these countries have had to feed their own forces as well as their war workers at home.

Col. Spence Eddy, acting general purchasing agent for the United States forces in the Southwest Pacific area, testified before the House Foreign Affairs Committee in more vivid fashion than I can as to the pooling of Australian, New Zealand, and United States resources. He gave the following illustration of how lend-lease and reverse lend-lease actually operate:

The Australian Government makes a contract with a farmer to grow a crop which the Australian Government will pay for. The Australian Government pays the canner to can it and the canner put it in a can made of American tin plate which came in through lend-lease from Pittsburgh. Then the canner takes the can and puts it in a wooden case, and the chances are that he got the wood with which he made the box from New Zealand. Then it is shipped on an Australian railway on reverse lend-lease and put in an American warehouse that the Australian Government built and paid for and turned over to us on reverse lend-lease. When it is time to use the can, it goes down to the docks, and is loaded by Australian stevedores that the Australian Government pays and it is put on a boat that Australia gives us as reverse lend-lease and the boat is provisioned and powdered under reverse lend-lease. If it is coal that is used for power, that came from Australia, and that was under reverse lend-lease. When the boat gets up north, it is unloaded on docks built up in the islands out of Australian timber with Australian hardware which Australia paid for. The food is stored in a temporary hut which is made of Australian steel and paid for by Australia. I might say, incidentally, that we are taking one-half of the sheet steel produced in Australia for our hutments and warehouses at the present time. When it comes down to the problem of eating the food, the can is opened by an Australian-made can opener, it is cooked in an Australian mess kit, and all of that comes out of reverse lend-lease. The American boy who eats the food has completed the cycle, because the chances are that somewhere along the line his father back home had something to do with some of the products that eventually produced that product. That is reciprocal aid, the way it works out in the field.

The offensives in the Far East, in the air over Europe, and in eastern and southern Europe have been possible on their present scale only because the United Nations have already won victory on the sea lanes.

They have pooled their men and their material to beat the U-boats, surface raiders, and mines and to provide enough ships to carry thousands of miles across the oceans to the war fronts the greatly increased quantities of war supplies now being produced. How well our combined efforts have succeeded may be illustrated by 2 items of lend-lease statistics. In 1943 we shipped twice as many supplies to Russia as in 1942. In 1943 only 1 ship out of every hundred sailing for Russia was lost. In 1942 we had lost 12 ships out of every hundred.

The merchant vessels to carry these supplies have come from many United Nations sources. They have come from the governments-in-exile—Norway, the Netherlands, Greece, Belgium, Yugoslavia, and Poland—which together had pre-war merchant marines totaling more than 10,000,000 tons; from the British with a pre-war merchant marine totalling 22,000,000 tons; and, finally, from the United States, which built between January 1, 1941, and January 1, 1944, merchant vessels aggregating more than 28,000,000 tons. Some of the Liberty

ships built in our yards have been leased to our allies, whose merchant ship losses have been much heavier than ours. Under lend-lease we have armed and repaired thousands of the merchant vessels of the governments-in-exile and of Britain. Under reverse lend-lease American merchant vessels that touch at Soviet, French, or British ports receive needed repairs as well as supplies and fuel for the return voyage.

The naval vessels and aircraft required to protect United Nations merchant ships from submarines and surface raiders have been supplied almost entirely from British, Canadian, and American shipyards and war plants. But all of the United Nations have contributed the manpower to operate them. In the North Atlantic, British, and Canadian sailors are manning American-built escort aircraft carriers and Canadian corvettes. Lend-lease Grumman fighter planes on British aircraft carriers have helped protect the convoys on the North and South Atlantic convoy routes. In the Caribbean and the South Atlantic American sailors have manned British-built corvettes, and British-manned destroyers, and antisubmarine trawlers have operated under United States Navy command. Brazilian naval and air forces equipped in part with lend-lease planes and ships maintain antisubmarine patrols in the South Atlantic. And the naval and air forces of other American republics keep watch over the Caribbean and the western approaches to the Panama Canal.

Each of the United Nations has been armed principally by its own factories. But each has been strengthened by arms from other United Nations which have often served to turn the tide of battle. We are far closer to victory today and far better prepared for the great tests that still lie ahead because of lend-lease and mutual aid.

## II

Lend-lease and reverse lend-lease are at work on battlefronts all over the globe. I have tried to give you a brief picture of the way in which they are hastening the defeat of the Axis today in many different theaters of war. In the binders before you, we have included much fuller statements and statistics on all the important aspects of lend-lease and reverse lend-lease operations. Any other facts or figures the committee desires which we have or can obtain, we shall be more than glad to furnish.

I believe strongly in the necessity for the closest of working relationships between the Congress and the Executive agencies. You are the legislators. We administer on behalf of you and the people whom you represent. I feel, therefore, that you should know anything we know. We are anxious to present to you as frankly and as openly as we can whatever you are interested in knowing about lend-lease and reverse lend-lease operations.

In a program as big as lend-lease there are bound to be mistakes and alleged mistakes. But from what I know of the administration of the program first under Maj. Gen. James H. Burns and then under Mr. E. R. Stettinius, Jr., I can tell you that the job was superbly done. Since the administration of lend-lease has been under the direction of the Foreign Economic Administration, we have constantly reviewed our policies and administration in the light of the changing conditions

of the war. We have continued to follow the basic criterion for judging our operations that has been applied consistently from the very beginning: Will the supplies, services, or information furnished under lend-lease hasten the day of victory?

The total figure of lend-lease aid to March 1, 1944, stood at slightly less than twenty-two and one-half billion dollars. As you can see on this first chart, that is about 14 percent of our total war expenditures since the Lend-Lease Act was passed.

Over half of our aid, as shown in the lower part of chart I, has consisted of planes, tanks, and other finished munitions. By March 1, 1944, we had lend-leased over 23,000 planes and 23,000 tanks. Our allies had purchased for cash another 7,000 planes and 1,500 tanks. Since March 11, 1941, we have produced 166,000 planes and 59,000 tanks. We have retained for our own forces four-fifths of the planes and two-thirds of the tanks we produced, while sending very large quantities to our allies. Items for the production of war supplies in the factories of our allies accounted for the next largest slice of our lend-lease aid—about 20 percent. Foodstuffs for soldiers and war workers made up 12½ percent. Lend-lease food shipments, incidentally, have amounted to less than 10 percent of our total food supply. The balance of lend-lease aid has consisted of services, in the form of shipping, ship repairs, pilot training, ferrying of aircraft, industrial facilities in the United States for the production of lend-lease goods and the like. And while furnishing these supplies and services to our allies, we have built and equipped the strongest Army in our history and the most powerful air forces and Navy the world has ever seen.

The relative proportions of these categories of supply were very different in the first 9 months of lend-lease, as can be seen from chart II. In 1941, food was the largest item—almost half of lend-lease exports. Finished munitions and war production items almost evenly divided the balance. In the first months of 1942, as American war plants moved into production, munitions shipments rose much more rapidly than other lend-lease shipments. They have continued to rise in proportion to war production items and food and during 1943 made up 61 percent of all shipments.

Planes, ammunition, and other finished munitions constitute, as you can see, the backbone of the lend-lease program.

The actual monthly totals of goods transferred and services rendered under lend-lease are shown in chart III.

The volume of lend-lease aid made available to our allies in any particular month is determined, of course, by many different factors—the rate of production in the United States, the availability of shipping, and the needs of our armed forces. As the military strategy of the war develops, constant changes must be made in our strategy of supply so that our war production will be utilized with the greatest possible effect against the enemy.

In the last analysis, the function of lend-lease, as of all wartime operations, is to make possible the carrying out of the strategic decisions of our military commanders. The responsibility for these decisions rests with the combined chiefs of staff. The actual allocations of our war resources are made by agencies such as the Combined Munitions Assignments Board, the Food Requirements and Allocations



Committee of the War Food Administration, the Requirements Committee of the War Production Board, and the War Shipping Administration. It is up to these agencies to carry into effect on the supply level the grand strategy of the war. As the strategy changes, so do the volume and character of supply operations, including lend-lease.

Chart IV shows the monthly lend-lease exports broken down by theaters of war. As you can see, not only the total volume of lend-lease exports, but the exports to any particular area may change radically from month to month. These variations, like the variations in the over-all volume of lend-lease aid, are the result of many factors. In the end, however, they can all be reduced to the various elements of military strategy. As a great offensive is planned in a theater of war, the volume of supplies and of shipping allocated to that theater is increased. A few months later, the requirements of another may have first call on our resources. Lend-lease fulfills its purpose only to the extent that its operations assist in carrying out such military strategy. Our job is to get the goods to the war fronts where they are needed to defeat the Germans and Japanese.

### III

Our partners are united with us in the effort which we are jointly putting forth in this war. Their major contribution—as well as ours—consists in fighting with all their manpower and resources against our common enemies. But in addition, those of our allies who are in a position to do so are supplying us as reverse lend-lease with a steadily increasing volume of supplies, services, and vital information.

The United Kingdom, Australia, New Zealand, and India spent more than \$2,000,000,000 for supplies and services furnished to us in the 18 months from June 1, 1942, to December 31, 1943, and by the first of this year were spending for reverse lend-lease at a rate approaching \$2,000,000,000 a year.

In Britain our armed forces receive as reverse lend-lease tens of thousands of different types of supplies, as well as such services as housing and airdrome facilities, transportation, civilian labor, and miscellaneous services.

Practically all supplies and services obtained in Britain for our forces are supplied as reverse lend-lease. It is no secret that very great numbers of American troops are now in Britain. Yet in the month of January 1944 the United States Army spent only £20,281, or \$81,124, for all supplies procured in Britain, exclusive of purchases amounting to less than £5 in the case of the ground forces and £25 in the case of the air forces. And of this total, £18,621 was for such post-exchange items as cosmetics, beer, and chewing gum, which are not furnished as reverse lend-lease. If these items are deducted, the Army had to spend only £1,660, or \$6,640, for all supplies procured in Britain, aside from the small spot purchases our local procurement officers are permitted to make. All the rest of the supplies procured in Great Britain were provided as reverse lend-lease, without payment by us.

The United Kingdom Government has also furnished us with supplies and services in Iceland, the Fijis, the Middle East, north Africa, Sicily, and Italy, and is now supplying us as reverse lend-lease with

strategic and critical raw materials and foodstuffs formerly purchased by United States Government agencies in the United Kingdom and the Colonies.

The Governments of Australia and New Zealand are supplying our forces in the South and Southwest Pacific under reverse lend-lease with all supplies and services that can be procured locally. They have turned over for our use airports, hospitals and barracks and have furnished us with such munitions and military supplies as are produced in Australia and New Zealand as well as most of the food consumed by American forces in the South and Southwest Pacific. Today we are receiving food from these two countries at the rate of almost 1,000,000,000 pounds a year. The value of all reverse lend-lease supplies and services we receive from Australia and New Zealand each month now approximates the value of lend-lease supplies shipped to Australia and New Zealand from the United States each month.

The Government of India is also furnishing our forces with very substantial amounts of reverse lend-lease aid. We are receiving aviation gasoline from the British refinery at Abadan, postal, telephone and telegraph services, equipment and construction assistance, tropical uniforms for use in the intense heat of the jungle fighting in Burma, large quantities of food and thousands of items of miscellaneous supplies.

Our other allies have not been in a position to provide reverse lend-lease supplies and services to American forces on a large scale, nor has the occasion for such aid arisen. The territories of some of the United Nations, such as Norway, Poland, and Greece have been completely overrun by the enemy. The Soviet Union and China, both invaded, have required virtually all they could produce besides what we could send them for fighting the invaders on their soil.

Nevertheless, each of our allies is providing us with reverse lend-lease aid in accordance with its ability and our needs. The French have provided reverse lend-lease estimated at \$30,000,000 to our troops in French north and west Africa. Belgium and the Netherlands have furnished supplies and services to our forces in the Belgian Congo and in the Dutch West Indies.

The dollar figures for reverse lend-lease, however, are at best an incomplete reflection of the assistance we have received from our allies. It is impossible to put dollar value figures on many reverse lend-lease services that have been furnished to us. Earlier in the war, for example, the British turned over to us priceless information on the developments in radio location made during the German air attacks on Britain. The value of this type of reverse lend-lease cannot be translated into dollars.

Moreover, these dollar figures, which have been obtained by translating expenditures in foreign currencies into dollars at the official exchange rates, do not reflect differences in price levels or purchasing power. A Spitfire plane, for example, can be procured in Britain for about half the price of a comparable American plane. One dollar will buy about three times the quantity of butter in New Zealand than it will buy in the United States. It costs the Australian Government \$2.64 to purchase a blanket that will be turned over to our forces as reverse lend-lease. Substantially the same blanket costs \$7.67 in the United States. The figures for reverse lend-lease reported by the governments of our allies represent only what it

has cost them in their own currency to provide the supplies furnished to us as reverse lend-lease just as the figures on outgoing lend-lease represent the cost to the United States in our currency. The real value to both ourselves and our allies of lend-lease and reverse lend-lease cannot be measured in dollars.

Finally, I should like to emphasize that neither the monetary value of lend-lease aid to the other United Nations nor the monetary value of their reverse lend-lease aid to us is by any means a full or accurate measure of the relative contributions of any of the United Nations to the war. We are fighting this war primarily with men and ships and weapons, with steel and food, not merely with dollars. What each of the United Nations contributes necessarily differs with its resources and with the circumstances of the war as it has progressed. Some have been called upon to give more in lives or in destroyed homes and cities, and others more in weapons and materials. All are giving what they can for victory for all of us.

#### IV

We and our allies are poised for the great offensives that are ahead. We are ready for the supreme tests of this war.

We have come a long way since those dark days in 1940 and 1941 when the Axis aggressors were winning all the victories and the peace-loving nations were suffering all the defeats. Those were the days of weakness and disaster. That was before we were United Nations.

Since then we have found the strength that comes from unity. As United Nations, we have combined our manpower and our material resources. We have been able first to turn the tide of battle and then to drive our offensives home with unrelenting power on all the battle fronts. Provided that we remain united—as we must and will—we are now certain of final victory and of the opportunity to establish a just and lasting peace.

The cost of victory to the United States, as well as to the other United Nations, will still be high. But what might have been our expenditure of blood and treasure to maintain our freedom and defend our soil if we have not had lend-lease and mutual aid, if Britain had gone under, if Hitler had isolated Russia, and Japan had completed the conquest of China, if, finally, we in the Western Hemisphere had had to stand alone against an Axis dominated world? Whatever the final cost of lend-lease may be, it has already proved to be an investment in American security, an investment so sound that it has paid us enormous dividends in lives saved and in security for our homes and our soil.

A year ago the Congress voted overwhelmingly to extend the Lend-Lease Act. In the 12 months since then, lend-lease and reverse lend-lease have proved increasingly powerful weapons in the offensives of the United Nations.

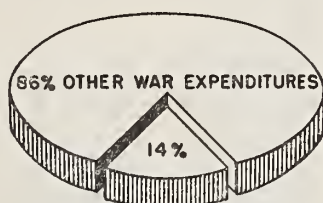
I am here before you today to ask that the Senate join with the House of Representatives once again in voting renewal of the Lend-Lease Act for another year. The months that lie ahead will be the decisive months of the war. To achieve final victory—and to achieve it at the earliest possible moment and at the least cost in lives—it is now more essential than ever that the United States and the other United Nations continue to combine their material resources through end-lease and mutual aid.



Only if we supply the Soviet Union with more planes, tanks, guns, and other supplies can she strike with fullest effect new and mighty blows from the east while we strike from the south and the west. Only with an ever-increasing volume of aid can China become the great land base from which we can strike at the heart of Japan. Only if we continue to help arm the airmen, the soldiers, and the sailors of Britain and our other allies can they play their full part by our side in the invasions to come. We cannot slacken for one moment our efforts of mutual aid through lend-lease and reverse lend-lease until the United Nations' armies finally march down the streets of Berlin and Tokyo.

Chart I

## LEND-LEASE AND TOTAL WAR COSTS



LEND-LEASE AID

TOTAL LEND-LEASE AID \$22,600,000,000  
(TO FEBRUARY 29, 1944)

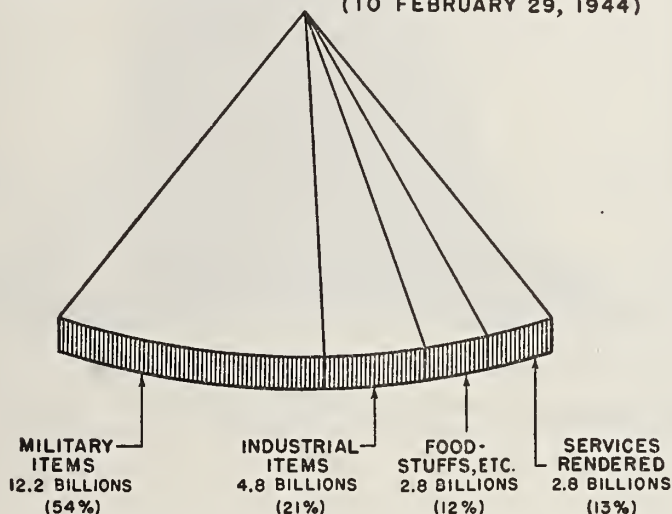


Chart II

# LEND-LEASE EXPORTS BY CATEGORY

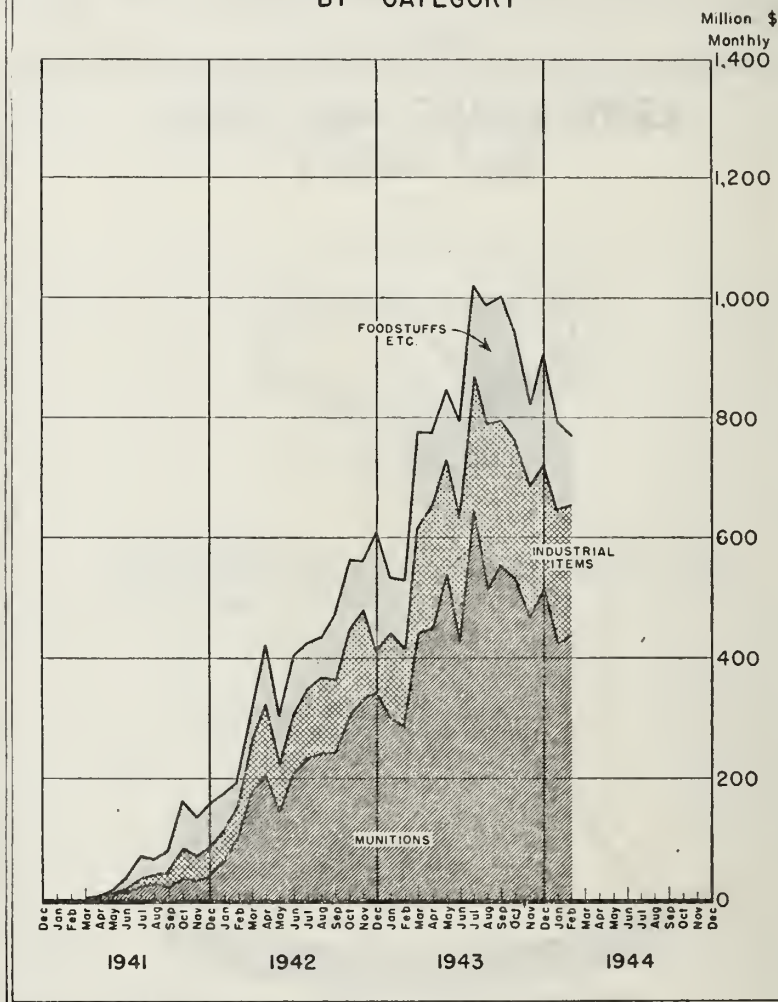


Chart III

## LEND-LEASE AID

MILLION \$  
MONTHLY  
1500

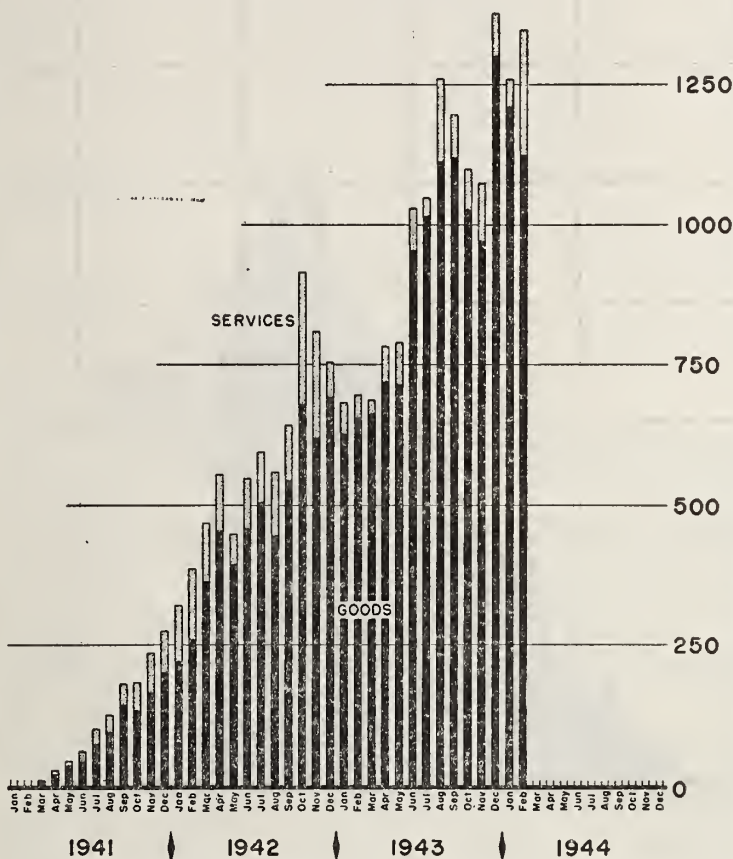
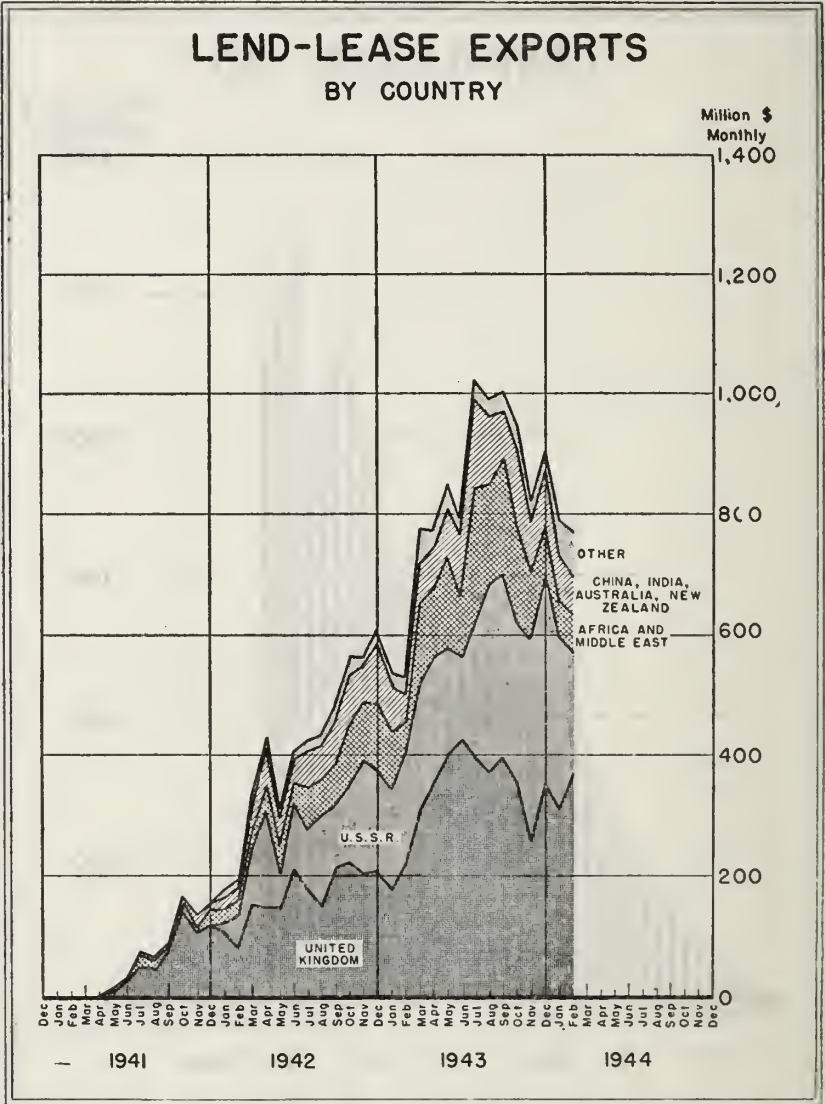




Chart IV



The CHAIRMAN. You may proceed.

Mr. CROWLEY. We have presented you with the hearings before the House, and the same book that we prepared for the Foreign Affairs Committee of the House. We of course want to cooperate with this committee and to answer any questions that we can.

As I view the thing, the matter that is before this committee is the extension of the Lend-Lease Act for one year. The principle of lend-lease was settled some time ago when this act was first enacted. To do anything other than to extend it would create considerable confusion. Not to extend it would be calling off an integral part of the war.

We have some charts, maps, and things, on the operation of lend-lease, and, for those of you who have questions in mind, we would be very happy to answer them, if we can.

Senator WHITE. Does this resolution do anything other than extend the time?

Mr. CROWLEY. It is my understanding that it is just to extend the time for another year.

Mr. COX. Except the Wadsworth amendment, which is on page 2 of the resolution, "*Provided, however,*" and so forth.

The CHAIRMAN. Is that the one relating to settlements?

Mr. COX. Yes.

Senator VANDENBERG. Are you still writing the same master agreements, in the same language, which the Senate Foreign Relations Committee criticized a year ago so appropriately?

Mr. COX. I would say "Yes." I do not think there have been any substantial number of master agreements since that time, if any. We can check that, however.

Senator VANDENBERG. But, if any?

Mr. COX. They would be in the same language.

Senator VANDENBERG. Obviously, the Wadsworth proviso is aimed at the same thing the Foreign Relations Committee was talking about in its last report?

Mr. COX. I think so, although it is limited to the post-war economic, military, or international policy that is tied in with any settlements that are made.

Senator VANDENBERG. But you would have to pay more attention to this than you do to the committee's report of a year ago?

Mr. COX. I would think so.

Senator VANDENBERG. Has there ever been any limitation in dollars on the authorization?

Mr. COX. For lend-lease?

Senator VANDENBERG. Yes.

Mr. COX. It is limited in the appropriation act.

Senator VANDENBERG. No, no; has there ever been any limitation in the authorization?

Mr. CROWLEY. Oh, no.

Senator VANDENBERG. In dollars and cents?

Mr. CROWLEY. No.

Mr. COX. In dollars and cents; except one minor one, which was the stuff that was on hand. As you remember, the original Lend-Lease Act contained a provision limiting to \$1,300,000,000 the amount of

supplies which were in the hands of Government agencies at the date of passage of the act and which could have been transferred under the Act.

The CHAIRMAN. Then we have already agreed to this, have we—we have already spent \$35,000,000,000?

Mr. Cox. No; we have turned over about \$22,000,000,000 worth of aid and obligated approximately the same amount.

Senator VANDENBERG. Is that for the period of 3 years?

Mr. Cox. The aid rendered up to the 1st of March was about \$22,000,000,000, and the amount of funds obligated is approximately the same amount—that is, \$22,000,000,000.

The CHAIRMAN. If you have no authorization, what authority have you to obligate, until the appropriations are made?

Mr. Cox. There has been \$24,000,000,000 appropriated directly to the President, of which \$22,000,000,000 has been obligated, and there has been a margin of \$2,000,000,000 in those direct appropriations.

The CHAIRMAN. I know, but you said you had obligated \$24,000,000,000, additional?

Mr. CROWLEY. No.

Mr. Cox. No; it is the same thing, not in addition.

The CHAIRMAN. Another thing was raised in another committee the other day; that is, as to whether you have any authority to grant money credits to these countries.

Mr. Cox. No.

The CHAIRMAN. It is only supplies, arms, and munitions?

Mr. Cox. Supplies, arms, munitions, or defense articles.

Senator VANDENBERG. You do not deal in gold, at all?

Mr. Cox. No. There has been silver that is lend-leased on agreements to return, ounce for ounce, but the lease is of bullion, and under certification as to what it was for in terms of the war, but not in "monetary lend-lease" so to speak.

Senator GUFFEY. Have you any amount of credits that you get from the other countries, such as Australia and New Zealand?

Mr. Cox. Reverse lend-lease?

Senator GUFFEY. Yes.

Mr. Cox. The rate of reverse lend-lease from both Australia and New Zealand is presently about as high as the rate of direct lend-lease. In other words, from month to month, they are supplying approximately the same amount that we are supplying.

Senator GUFFEY. Thank you very much.

The CHAIRMAN. Are there other questions? You may proceed, Mr. Crowley, unless somebody wants to ask questions.

Mr. CROWLEY. I do not know as I have anything only just to answer the questions of the Senators.

The CHAIRMAN. Are there any other questions? Mr. Cox, have you anything further to submit besides what Mr. Crowley has submitted?

Mr. Cox. No, sir.

The CHAIRMAN. With the consent of the committee, if there is no objection, we will insert in the record these few things Mr. Cox has produced out of his binder, that the Senate might itself want to have printed in the hearings. Is there any objection to that? If not, that will be done.

(The material referred to is as follows:)



*Allocations, obligations and expenditures of lend-lease funds appropriated to the President—Report as of Feb. 29, 1944*

[Thousands of dollars]

Appropriation category	Adjusted appropriations	Cumulative to Feb. 29, 1944		
		Allocations	Obligations	Expenditures
Ordnance and ordnance stores.....	1,692,306	1,573,966	1,466,710	1,285,540
Aircraft and aeronautical material.....	2,629,625	2,541,034	2,472,567	2,060,944
Tanks and other vehicles.....	739,273	670,971	639,014	617,542
Watercraft.....	3,871,703	2,981,349	2,542,747	2,348,093
Miscellaneous military equipment.....	354,288	323,289	278,867	249,981
Production facilities.....	1,154,688	1,106,949	1,055,142	979,559
Agricultural and industrial commodities.....	12,608,929	12,236,170	9,395,718	7,451,741
Servicing, repair of ships, etc.....	790,818	678,424	543,321	529,734
Services and expenses.....	800,000	424,454	315,814	260,285
Administrative expenses.....	28,999	27,021	26,027	25,785
Total.....	24,670,629	22,563,627	18,735,927	15,809,204

Procuring agency	Cumulative to Feb. 29, 1944		
	Allocations	Obligations	Expenditures
War Department.....	5,420,919	5,160,771	4,720,742
Navy Department.....	3,478,840	2,664,341	2,079,874
Maritime Commission and War Shipping Administration.....	2,919,937	2,403,109	2,402,786
Treasury Department.....	4,636,289	3,345,686	2,599,055
Department of Agriculture.....	6,084,467	5,141,256	3,989,726
Other.....	23,175	20,764	17,021
Total.....	22,563,627	18,735,927	15,809,204

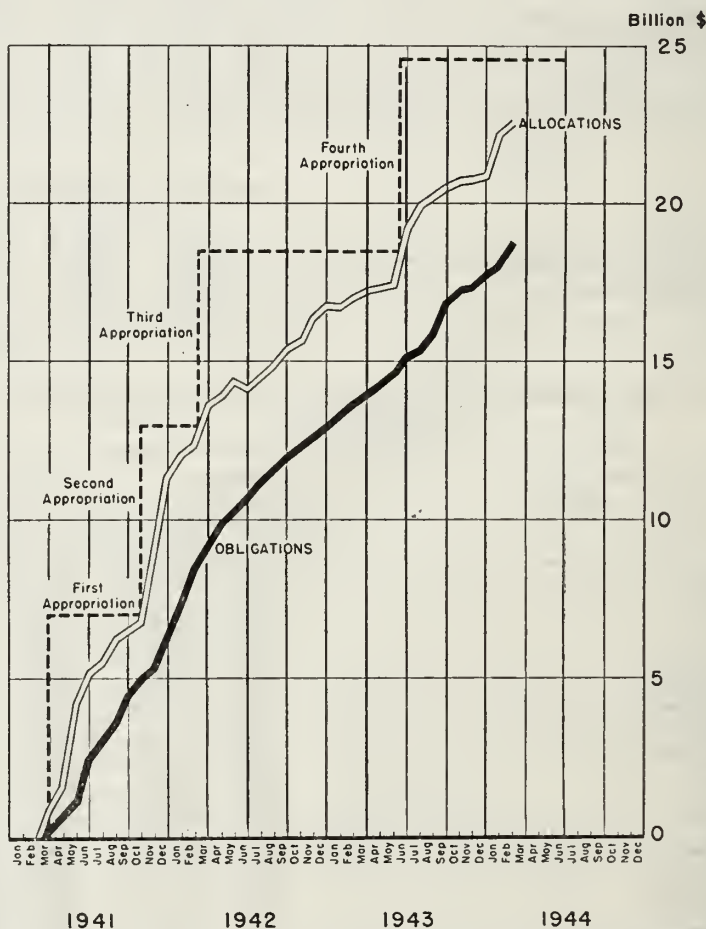
*Allocations and obligations of lend-lease funds appropriated to the President—all agencies*

[Millions of dollars]

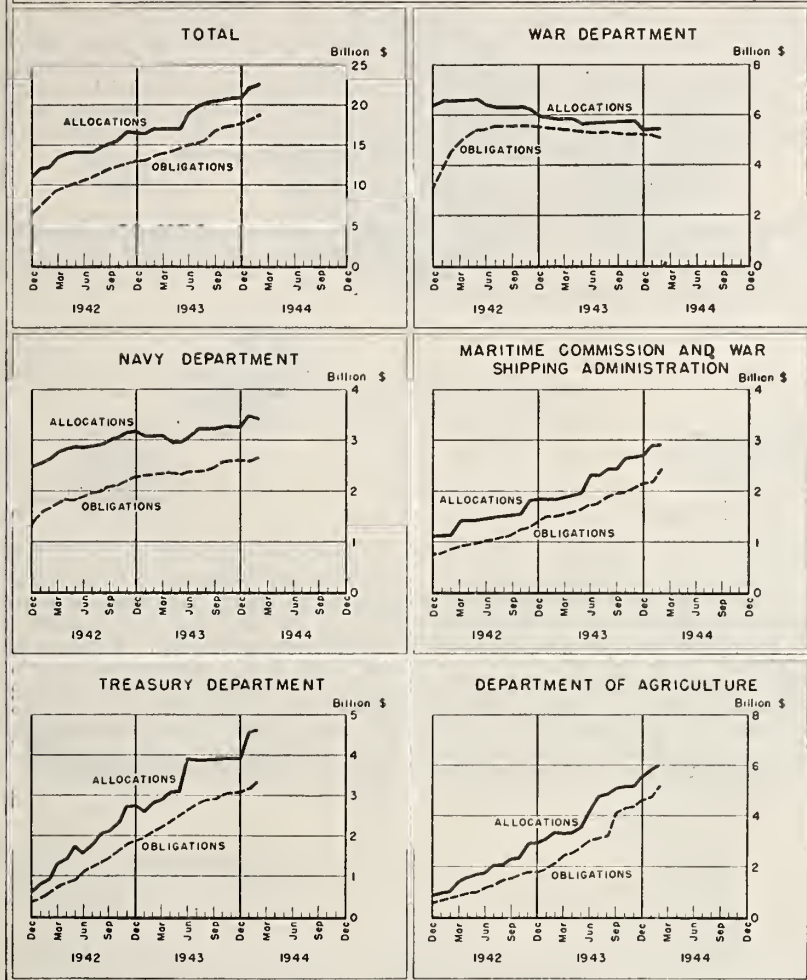
Month	Allocations		Obligations	
	Monthly	Cumulative	Monthly	Cumulative
1941—March.....	1,000	1,000	198	198
April.....	1,600	2,600	400	598
May.....	1,678	4,278	400	998
June.....	899	5,177	1,460	2,458
July.....	269	5,446	599	3,057
August.....	835	6,281	499	3,556
September.....	175	6,456	747	4,303
October.....	315	6,771	510	4,813
November.....	2,415	9,186	430	5,243
December.....	2,141	11,327	1,027	6,270
1942—January.....	713	12,040	1,080	7,350
February.....	232	12,272	1,109	8,459
March.....	1,364	13,636	744	9,203
April.....	222	13,858	673	9,876
May.....	508	14,366	305	10,181
June.....	—281	14,085	484	10,665
July.....	382	14,467	471	11,136
August.....	417	14,884	353	11,489
September.....	332	15,216	446	11,935
October.....	293	15,509	299	12,234
November.....	1,362	16,871	361	12,595
December.....	—193	16,678	292	12,887
1943—January.....	—2	16,676	308	13,195
February.....	337	17,013	376	13,571
March.....	211	17,224	401	13,972
April.....	106	17,330	238	14,210
May.....	43	17,373	358	14,568
June.....	1,873	19,246	522	15,090
July.....	746	19,992	218	15,308
August.....	221	20,213	464	15,772
September.....	305	20,518	947	16,719
October.....	268	20,786	511	17,230
November.....	32	20,818	147	17,377
December.....	32	20,850	379	17,756
1944—January.....	1,397	22,247	312	18,068
February.....	317	22,564	668	18,736

# APPROPRIATIONS, ALLOCATIONS & OBLIGATIONS LEND-LEASE FUNDS APPROPRIATED TO PRESIDENT

CUMULATIVE SINCE BEGINNING OF PROGRAM



# ALLOCATIONS AND OBLIGATIONS OF LEND-LEASE FUNDS APPROPRIATED TO THE PRESIDENT CUMULATIVE SINCE BEGINNING OF PROGRAM



Foreign Economic Administration



## EXPLANATION OF LEND-LEASE AID—GOODS TRANSFERRED AND SERVICES

## RENDERED

## GOODS TRANSFERRED

Goods transferred consist of (a) finished munitions such as planes, tanks, guns, and ammunition, and ships; (b) war production materials such as steel and machine tools and items such as petroleum products to fuel allied planes and for other vital war purposes; and (c) agricultural commodities, including principally foodstuffs.

The goods are usually transferred to the recipient lend-lease country before they leave the United States.

## SERVICES RENDERED

Services rendered include principally (a) the repair and servicing in this country of men-of-war and merchant ships of the United Nations; (b) the provision of transportation services necessary to carry lend-lease goods to their destinations; (c) new factory and shipyard facilities built in this country with lend-lease funds for the production of lend-lease goods; and (d) miscellaneous services such as the training in this country of pilots and other personnel for United Nations air forces and certain supply services performed in the base areas abroad.

## TOTAL LEND-LEASE AID

Total lend-lease aid, i. e., the total of goods transferred and services rendered, is the best measure of the over-all amount of lend-lease aid furnished to our allies. As of February 29, 1944, total aid amounted to approximately \$22,600,000,000, the composition of which was as follows:

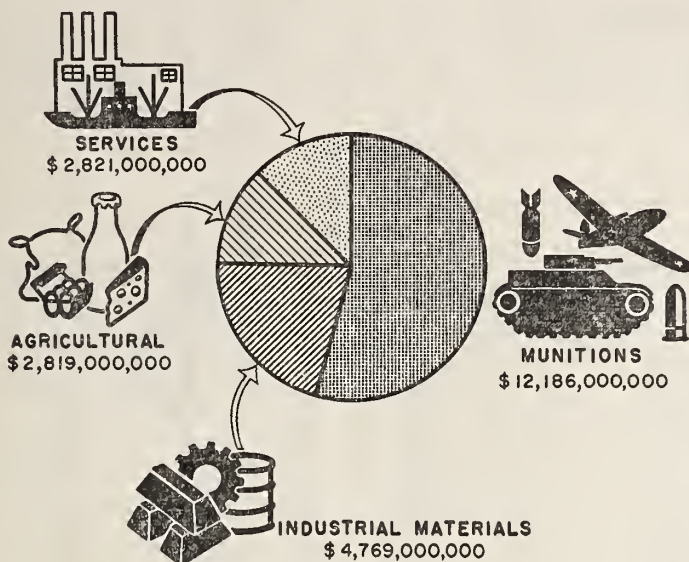
	Amount	Percent of total
Munitions.....	\$12,185,980,000	53.9
Industrial materials.....	4,769,440,000	21.1
Agricultural products.....	2,818,899,000	12.5
Goods transferred.....	19,774,319,000	87.5
Services rendered.....	2,820,933,000	12.5
Total lend-lease aid.....	22,595,252,000	100.0

The above figures are exclusive of the value of goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The total value of such consignments to February 29, 1944, was \$575,158,000.

It is not feasible to allocate certain items of services by country. Furthermore, because of the global nature of the war, the name of the government to which goods are transferred does not necessarily indicate the battle front on which the goods will be used; for example, guns transferred to the United Kingdom may have been used by New Zealand troops fighting in north Africa. Hence, in considering aid by countries, the export figures give a better picture of the part played by lend-lease in the various fronts of the war than do the figures on transfers.

## LEND-LEASE AID

TOTAL FROM MARCH 1941 TO  
FEBRUARY 29, 1944 - \$ 22,595,000,000



FOREIGN ECONOMIC ADMINISTRATION

*Total lend-lease aid, March 1941 through Feb. 29, 1944*

	Amount	Percent of total
Goods transferred:		
Munitions.....	\$12,185,980,000	53.9
Industrial materials and products.....	4,769,440,000	21.1
Agricultural products.....	2,818,899,000	12.5
Total transfers.....	19,774,319,000	87.5
Services rendered:		
Servicing and repair of ships, etc.....	432,903,000	1.9
Rental of ships, ferrying of aircraft, etc.....	1,683,657,000	7.5
Production facilities in United States.....	613,541,000	2.7
Miscellaneous expenses.....	90,832,000	0.4
Total services.....	2,820,933,000	12.5
Total lend-lease aid.....	22,595,252,000	100.0

The above figures are exclusive of the value of goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The total value of such consignments to Feb. 29, 1944, was \$575,158,000.

## EXTENSION OF LEND-LEASE ACT

*Break-down of lend-lease aid*

	1941	1942	1943	January- February 1944	Total
Munitions.....	21.5	46.7	61.5	54.8	53.9
Industrial materials and products.....	21.9	20.9	20.5	23.9	21.1
Agricultural products.....	29.8	12.8	10.8	10.9	12.5
Services.....	26.8	19.6	7.2	10.4	12.5
Total.....	100.0	100.0	100.0	100.0	100.0

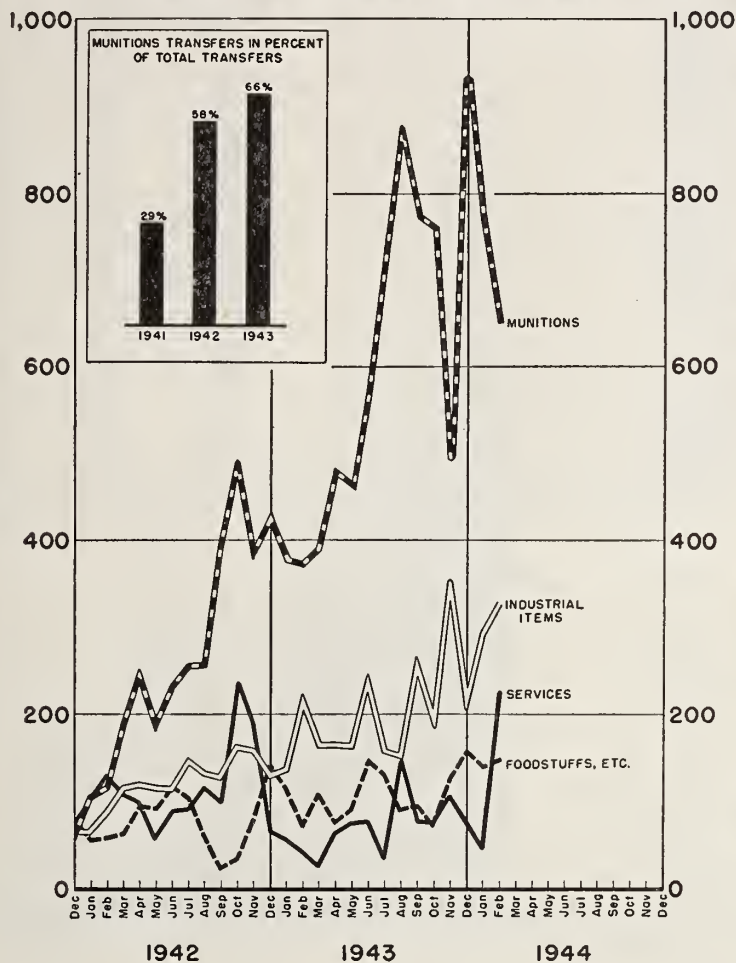
*Goods transferred and services rendered*

[Monthly in millions of dollars]

Month	Goods transferred			Services rendered	Total aid
	Munitions	Industrial materials and products	Agricultural products		
1941—October.....	14	56	61	50	181
November.....	39	74	52	70	235
December.....	59	64	77	74	274
1942—January.....	104	63	53	102	322
February.....	116	87	57	128	388
March.....	188	113	61	106	468
April.....	243	119	93	99	554
May.....	190	113	91	55	449
June.....	232	112	115	89	543
July.....	256	146	102	91	595
August.....	256	132	58	114	560
September.....	395	128	21	99	643
October.....	486	162	32	235	915
November.....	386	160	74	190	810
December.....	424	130	140	63	757
1943—January.....	379	137	111	55	682
February.....	372	214	70	41	697
March.....	391	166	106	24	687
April.....	479	166	75	63	783
May.....	463	163	90	74	790
June.....	570	237	147	77	1,031
July.....	728	158	132	32	1,050
August.....	872	152	90	147	1,261
September.....	774	254	93	76	1,197
October.....	762	196	70	73	1,101
November.....	494	352	125	105	1,076
December.....	929	214	157	77	1,377
1944—January.....	779	297	138	45	1,259
February.....	651	326	147	226	1,350



# **GOODS TRANSFERRED AND SERVICES RENDERED MONTHLY IN MILLIONS OF DOLLARS**

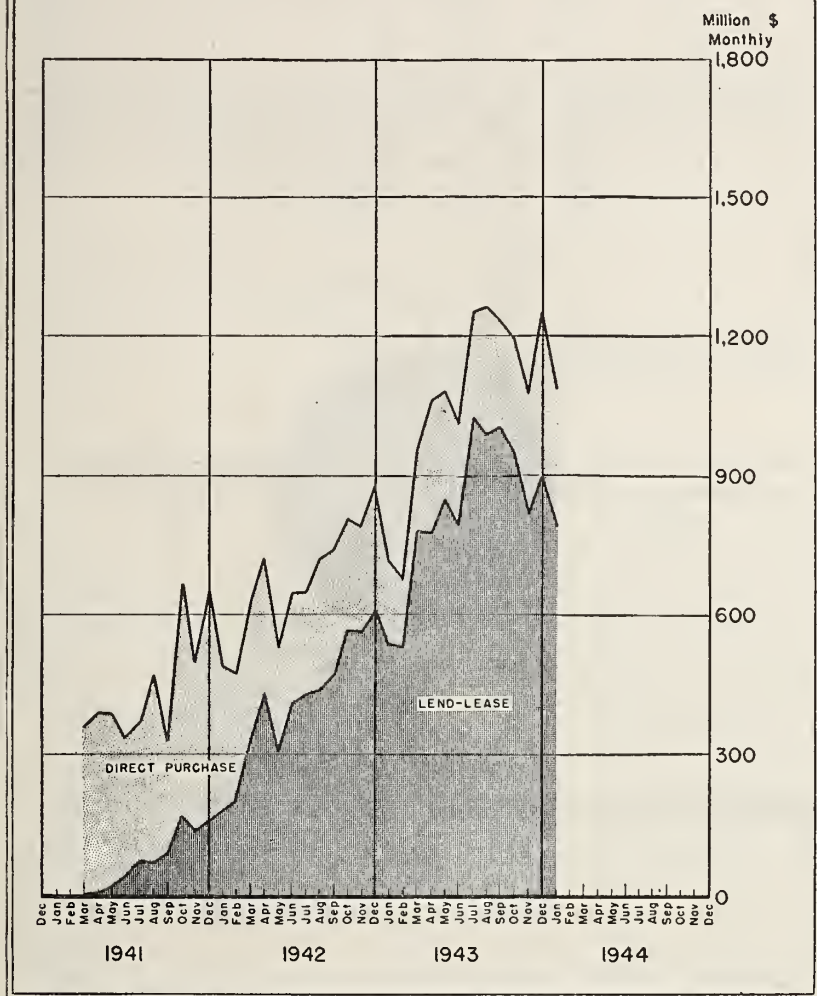


*Exports from the United States*

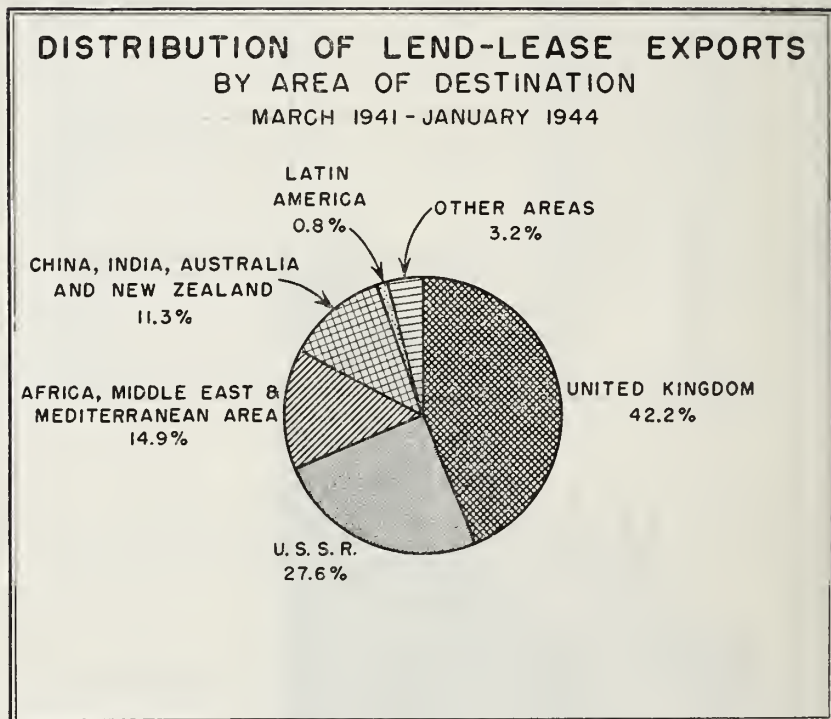
[Millions of dollars—monthly]

Month	Lend-lease	Direct purchase	Total
1941—March.....	1	355	356
April.....	5	352	357
May.....	16	359	385
June.....	35	295	330
July.....	72	293	365
August.....	67	393	460
September.....	86	339	425
October.....	167	499	666
November.....	137	355	492
December.....	155	498	653
1942—January.....	175	306	481
February.....	194	286	480
March.....	329	299	628
April.....	425	292	717
May.....	306	229	535
June.....	405	243	648
July.....	424	226	650
August.....	434	269	703
September.....	472	260	732
October.....	562	239	801
November.....	561	226	787
December.....	608	265	873
1943—January.....	535	195	730
February.....	528	191	719
March.....	777	211	988
April.....	775	205	980
May.....	847	238	1,085
June.....	790	212	1,002
July.....	1,033	229	1,262
August.....	999	205	1,204
September.....	1,002	231	1,233
October.....	942	251	1,193
November.....	819	255	1,074
December.....	906	343	1,249
1944—January.....	788	296	1,084

## EXPORTS FROM THE U.S.







FOREIGN ECONOMIC ADMINISTRATION

*Lend-lease exports, March 1941 through Jan. 31, 1944*

[Millions of dollars]

	United Kingdom	U. S. S. R.	Africa, Middle East, and Mediterranean area	China, India, Australia and New Zealand	Other	Total
<b>MUNITIONS</b>						
Ordnance.....	307	229	239	143	60	978
Ammunition.....	663	387	312	199	67	1,628
Aircraft and parts.....	939	832	423	361	282	2,837
Tanks and parts.....	548	269	454	153	55	1,479
Motor vehicles and parts.....	292	602	329	296	67	1,586
Watercraft.....	169	108	36	28	19	360
Total.....	2,918	2,427	1,793	1,180	550	8,868
<b>INDUSTRIAL MATERIALS AND PRODUCTS</b>						
Machinery.....	369	479	108	150	24	1,130
Metals.....	584	466	146	194	20	1,410
Petroleum products.....	487	35	63	118	---	703
Other.....	330	291	179	137	31	968
Total.....	1,770	1,271	496	599	75	4,211
<b>AGRICULTURAL PRODUCTS</b>						
Foods.....	1,773	747	137	49	18	2,724
Other agricultural products.....	453	81	7	28	3	572
Total.....	2,226	828	144	77	21	3,296
Total exports.....	6,914	4,526	2,433	1,856	646	16,375

*Lend-lease exports to all countries*

VALUE IN THOUSANDS OF DOLLARS

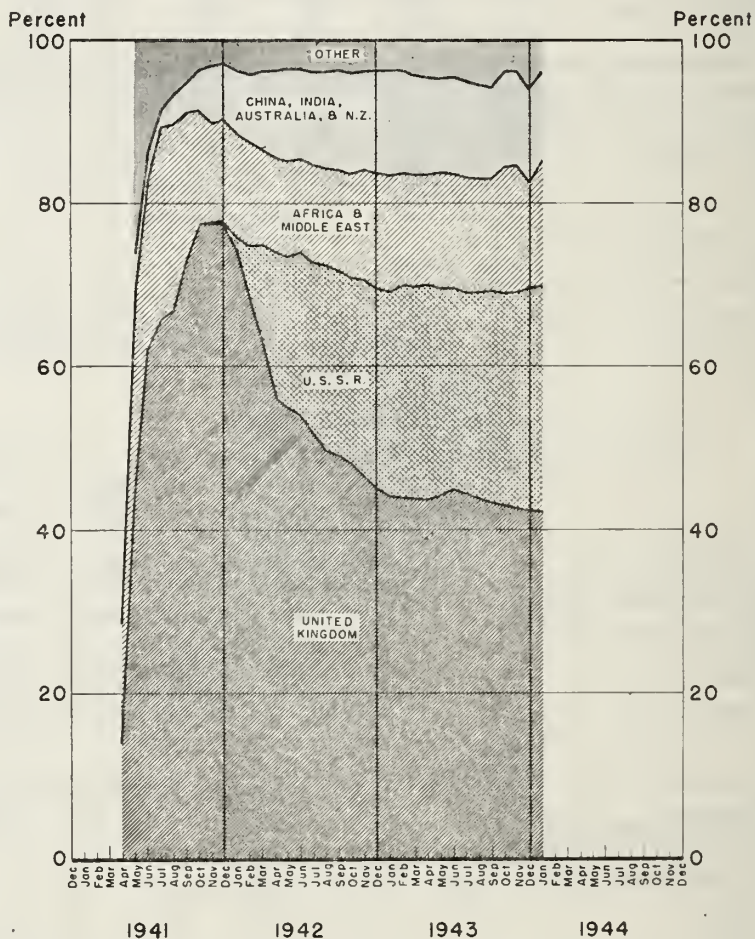
	1941	1942	1943	January 1944	Total
United Kingdom.....	572,620	2,005,252	4,024,803	310,862	6,913,537
Union of Soviet Socialist Republics.....	545	1,348,570	2,891,760	285,063	4,525,938
Africa, Middle East and Mediterranean area.....	95,915	704,012	1,574,556	58,493	2,432,976
China, India, Australia, and New Zealand.....	52,207	641,124	1,086,371	75,891	1,855,593
Latin America.....	365	34,669	92,929	3,928	131,891
Other countries.....	19,251	157,902	283,195	54,357	514,705
Total.....	740,903	4,891,529	9,853,614	788,594	16,374,640

## PERCENTAGE DISTRIBUTION

United Kingdom.....	77.3	41.0	40.4	39.4	42.2
Union of Soviet Socialist Republics.....	.1	27.6	29.1	36.1	27.6
Africa, Middle East, and Mediterranean area.....	12.9	14.4	15.8	7.4	14.9
China, India, Australia, and New Zealand.....	7.1	13.1	10.9	9.6	11.3
Latin America.....	0	.7	.9	.5	.8
Other countries.....	2.6	3.2	2.9	6.9	3.2
Total.....	100.0	100.0	100.0	100.0	100.0

# LEND-LEASE EXPORTS PERCENTAGE DISTRIBUTION BY COUNTRY

CUMULATIVE FROM MARCH 1941



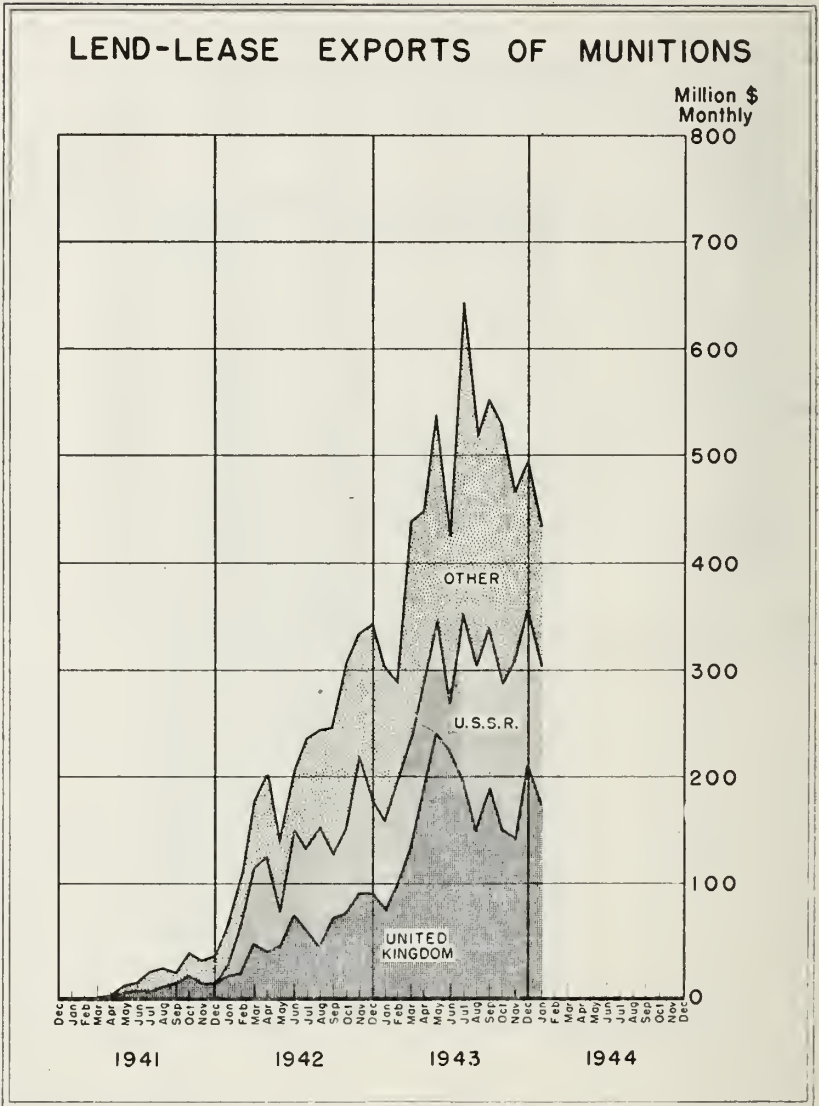


*Lend-lease exports of munitions*

[Monthly in millions of dollars]

Month	United Kingdom	Union of Soviet Socialist Republics	Other countries	Total
1941—March			1	1
April	1		5	6
May	3		6	9
June	6		6	12
July	4		18	22
August	9		17	26
September	11		9	20
October	18		21	39
November	11		22	33
December	11		27	38
1942—January	15	9	42	66
February	22	42	41	105
March	53	64	60	177
April	48	78	80	206
May	53	34	53	140
June	77	79	51	207
July	65	74	96	235
August	55	106	82	243
September	80	56	108	244
October	90	66	149	305
November	107	120	106	333
December	101	86	155	342
1943—January	103	69	130	302
February	131	78	75	284
March	187	81	170	438
April	139	125	184	448
May	253	96	188	537
June	223	45	155	423
July	208	154	292	654
August	161	155	211	527
September	190	152	210	552
October	152	137	241	530
November	143	165	157	465
December <sup>1</sup>	208	147	129	484
1944—January <sup>1</sup>	165	127	132	424

<sup>1</sup> Does not include value of planes flight-delivered.



Foreign Economic Administration

*Lend-lease exports of munitions*

[Monthly in thousands of dollars]

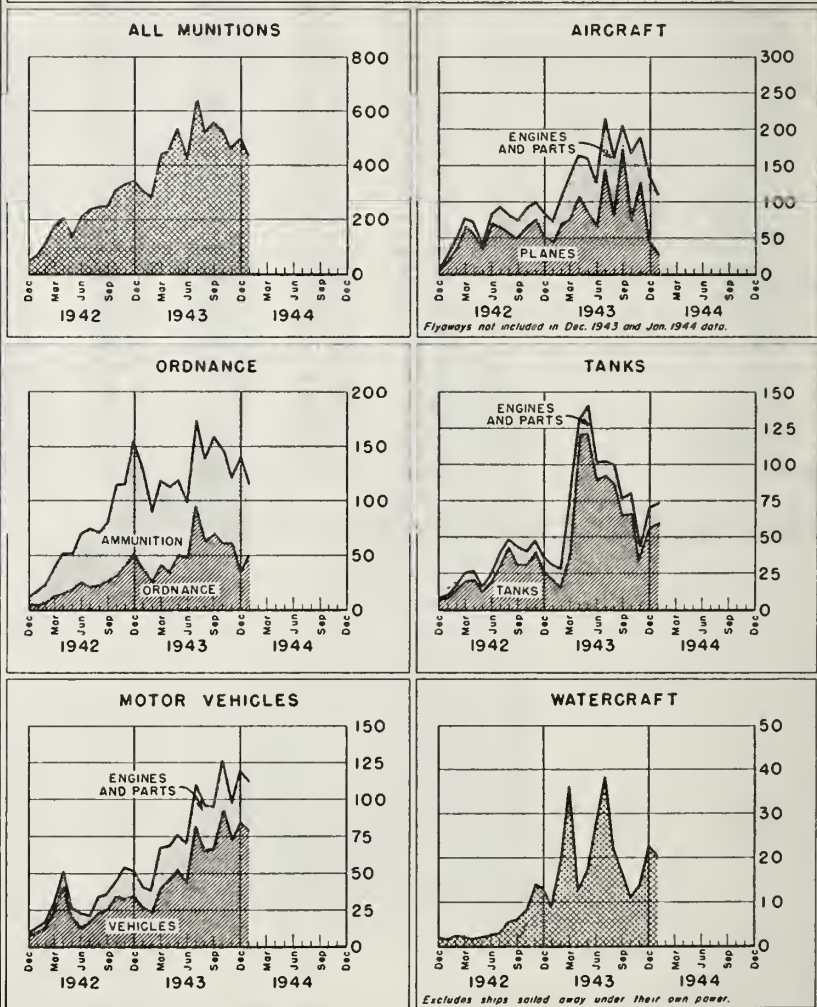
	Aircraft and parts	Ordnance and am- munition	Tanks and parts	Motor ve- hicles and parts	Watercraft and parts <sup>1</sup>
1941—April.....	522	3,631	990	-----	454
May.....	-----	2,800	3,420	2,567	681
June.....	1,953	3,348	3,240	2,512	227
July.....	1,115	13,673	6,056	1,018	185
August.....	2,426	14,652	6,457	2,637	500
September.....	3,029	9,481	2,803	4,469	46
October.....	3,492	10,906	6,757	12,269	1,792
November.....	7,201	8,764	4,932	8,327	1,574
December.....	6,557	12,062	8,378	9,984	1,703
1942—January.....	22,837	17,449	10,413	13,414	1,527
February.....	47,440	21,284	17,012	17,778	2,087
March.....	76,319	37,303	25,217	30,455	1,802
April.....	72,895	50,683	25,948	52,188	1,506
May.....	42,633	50,623	15,440	27,285	1,853
June.....	84,911	69,877	24,141	23,600	1,903
July.....	95,023	74,334	38,267	22,836	2,633
August.....	82,057	72,013	48,778	34,425	5,333
September.....	75,520	82,181	43,881	36,487	5,943
October.....	95,375	114,071	40,313	47,425	7,586
November.....	102,608	114,059	47,990	54,309	13,853
December.....	85,650	155,692	36,572	51,379	12,909
1943—January.....	75,867	125,588	32,782	43,060	9,265
February.....	105,758	89,130	28,627	39,233	19,979
March.....	132,779	118,259	74,502	68,814	36,329
April.....	163,171	111,404	132,026	69,758	12,524
May.....	159,856	118,157	139,542	76,966	17,159
June.....	126,335	98,569	101,002	70,500	28,467
July.....	214,324	174,840	102,197	111,731	38,261
August.....	157,507	139,592	100,933	95,802	22,942
September.....	203,185	158,467	76,327	94,857	17,499
October.....	164,125	147,932	80,042	126,787	11,046
November.....	187,474	122,498	43,924	98,388	14,268
December.....	<sup>2</sup> 137,940	140,491	70,211	121,387	22,904
1944—January.....	<sup>2</sup> 111,424	116,899	73,585	112,531	20,480

<sup>1</sup> Does not include value of ships sailed away under their own power.<sup>2</sup> Does not include value of planes flight delivered.



# LEND-LEASE EXPORTS OF MUNITIONS

## MONTHLY IN MILLIONS OF DOLLARS



Foreign Economic Administration

*Lend-lease exports of industrial items*

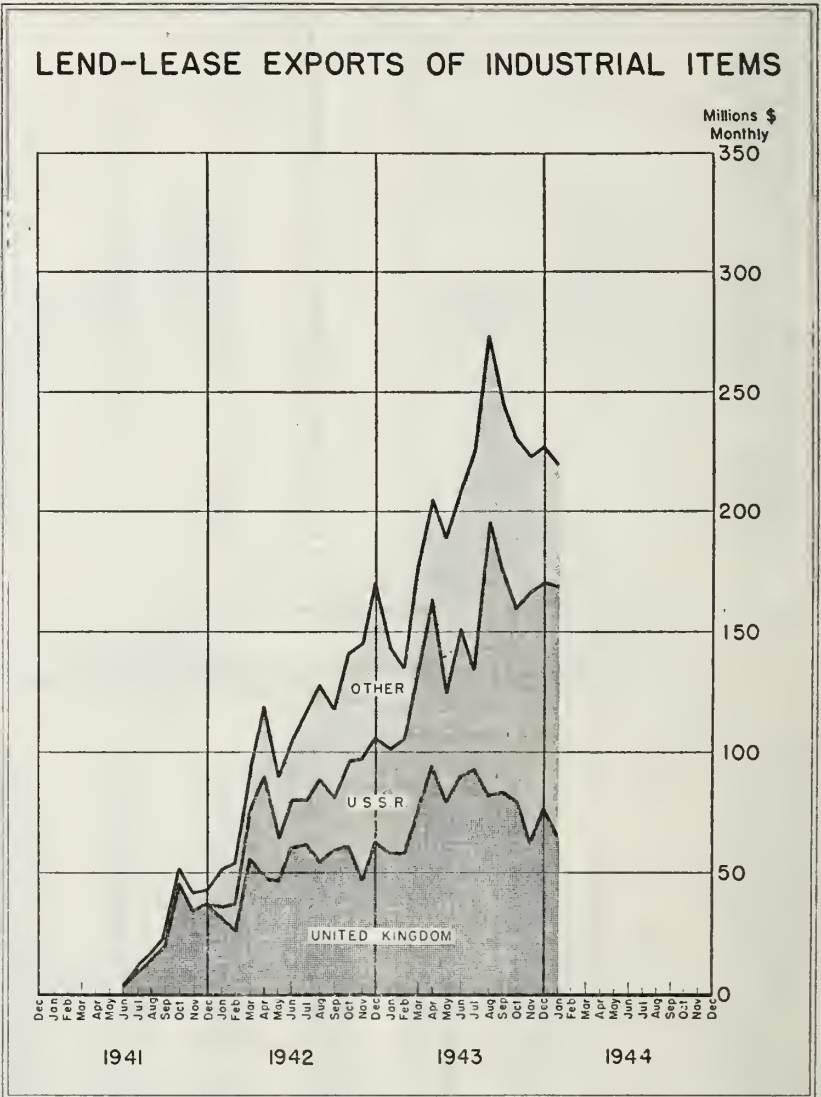
[Monthly in millions of dollars]

Month	United Kingdom	Union of Soviet Socialist Republics	Other countries	Total
1941—May			1	1
June	3			3
July	9		2	11
August	14		2	16
September	20		3	23
October	45		6	51
November	34		8	42
December	37		6	43
1942—January	32	4	14	50
February	26	11	16	53
March	56	20	14	90
April	48	42	27	117
May	47	18	17	82
June	61	19	21	101
July	62	18	35	115
August	55	34	36	125
September	59	22	37	118
October	61	35	47	143
November	47	50	48	145
December	63	43	64	170
1943—January	58	43	38	139
February	58	48	27	133
March	76	57	43	176
April	94	69	42	205
May	79	44	66	189
June	89	62	58	209
July	93	41	91	225
August	82	114	76	272
September	83	93	68	244
October	80	81	70	231
November	62	105	56	223
December	77	94	56	227
1944—January	64	105	52	221

*Lend-lease exports of industrial items*

[Monthly in thousands of dollars]

	Machinery and tools	Iron and steel	Nonferrous metals	Petroleum products	Miscellaneous materials and manufacturers	Total
1941—April					35	35
May	2		497	69	334	902
June	428	113	712	265	1,817	3,335
July	1,368	1,145	2,611	156	6,029	11,309
August	1,088	3,510	1,302	1,477	7,510	14,887
September	1,407	5,413	604	6,589	9,257	23,270
October	3,914	14,259	3,751	24,522	3,384	49,830
November	3,796	8,930	4,602	15,248	10,482	43,058
December	6,195	9,620	4,160	15,575	8,133	43,683
1942—January	6,654	13,985	5,919	16,686	7,286	50,530
February	12,097	14,330	10,097	7,641	9,911	54,076
March	21,848	23,343	13,866	18,404	16,822	94,283
April	23,709	41,704	15,893	16,964	20,954	119,224
May	19,688	30,373	7,206	13,272	18,369	88,908
June	21,243	34,065	7,503	20,558	20,527	103,896
July	25,486	35,737	6,889	21,138	26,169	115,419
August	29,102	43,079	14,108	17,470	21,861	125,620
September	24,617	43,901	12,848	13,377	23,580	118,323
October	32,749	41,876	17,887	24,690	25,905	143,107
November	38,262	39,523	20,197	19,232	27,415	144,629
December	41,979	47,953	16,703	24,493	38,707	169,835
1943—January	29,949	34,214	18,223	31,755	29,150	143,291
February	37,123	27,118	20,371	21,500	27,769	133,881
March	47,613	37,164	21,699	23,748	45,829	176,053
April	61,563	45,781	25,275	27,544	45,551	205,714
May	54,121	49,145	19,224	29,651	36,793	188,934
June	66,657	42,824	27,488	31,904	39,864	208,737
July	57,645	41,796	15,436	47,555	62,495	224,927
August	90,328	46,281	19,764	42,110	73,572	272,055
September	78,727	41,838	19,842	44,001	60,281	244,689
October	67,211	45,947	22,797	36,995	57,816	230,766
November	79,064	36,397	17,827	27,718	61,950	222,956
December	73,057	46,504	17,477	29,453	60,554	227,085
1944—January	71,509	36,218	13,625	36,183	61,374	218,909

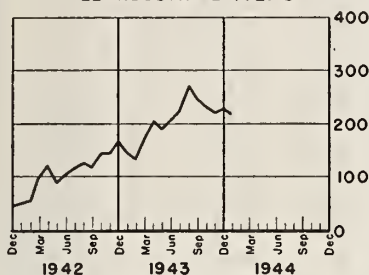




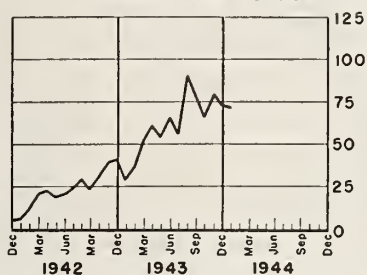
# LEND-LEASE EXPORTS OF INDUSTRIAL ITEMS

## MONTHLY IN MILLIONS OF DOLLARS

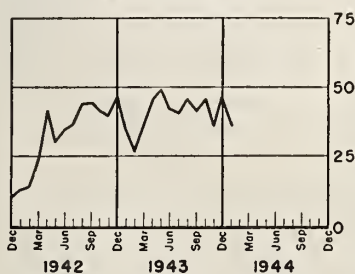
ALL INDUSTRIAL ITEMS



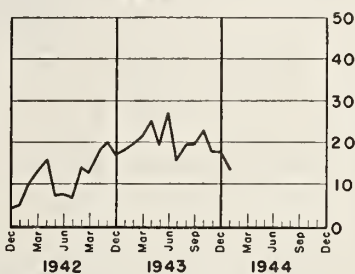
MACHINERY AND TOOLS



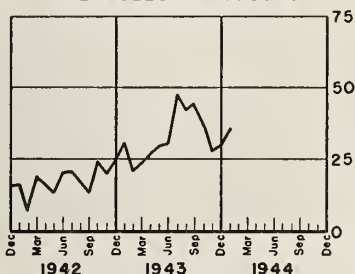
IRON AND STEEL



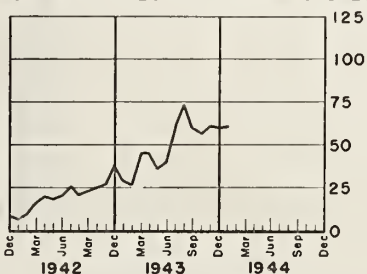
NON-FERROUS METALS



PETROLEUM PRODUCTS



MISC. MATERIALS AND MANUFACTURES

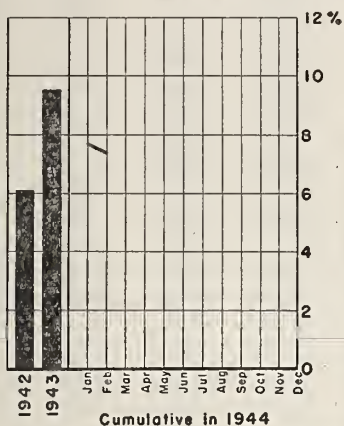


*Lend-lease food shipments in relation to supply*

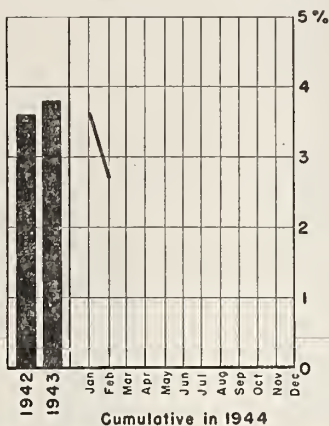
	Exports (millions of pounds)			Exports in percent of supply		
	1942	1943	January-February 1944	1942	1943	January-February 1944
All meats (dressed weight basis).....	1,357.6	2,283.0	322.5	6.1	9.5	7.4
Beef and veal.....	32.7	124.1	25.6	.3	1.3	1.5
Lamb and mutton.....	4.3	123.7	28.4	.4	11.1	16.5
Pork.....	1,320.6	2,035.2	268.5	11.9	15.4	11.1
All milk products (fluid milk equivalent)...	4,472.5	4,600.1	540.3	3.6	3.8	2.7
Dry whole milk.....	4.5	17.9	2.7	6.4	13.7	11.2
Dry skim milk.....	135.0	231.4	11.2	23.0	41.9	11.1
Condensed and evaporated milk.....	408.0	531.2	49.4	9.7	12.8	7.4
Butter.....	18.4	79.7	4.6	.8	3.8	1.3
Cheese.....	315.2	161.2	31.6	23.6	14.3	16.4
Eggs, dried (shell egg equivalent).....	648.7	973.3	159.4	9.6	12.4	11.8
Edible fats and oils (fat content).....	707.8	1,116.0	112.6	11.3	16.3	9.4
Canned fish.....	176.8	244.3	6.9	17.3	26.8	4.4
Fruits:						
Canned fruits and juices.....	177.9	316.2	35.6	3.7	6.9	4.4
Dried fruits.....	192.7	299.4	37.5	16.3	20.3	16.6
Vegetables:						
Canned vegetables.....	80.4	101.8	25.1	1.6	1.5	2.1
Dried beans.....	117.5	321.5	54.7	5.1	11.4	10.6
Dried peas.....	53.2	119.8	38.5	7.6	9.9	19.3
Corn and corn products (grain equivalent).....	555.8	364.9	41.8	.2	.1	.1
Wheat and wheat products (grain equivalent).....	420.4	1,240.1	305.8	.4	1.0	.2

# LEND-LEASE FOOD EXPORTS IN % OF SUPPLY

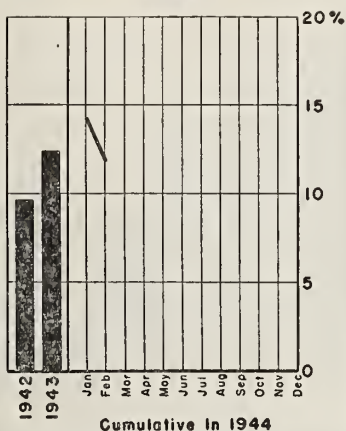
## ALL MEATS



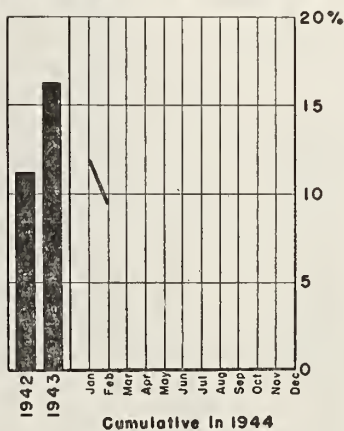
## ALL MILK PRODUCTS



## EGGS



## EDIBLE FATS AND OILS





*Value of lend-lease food exports*

[Monthly in thousands of dollars]

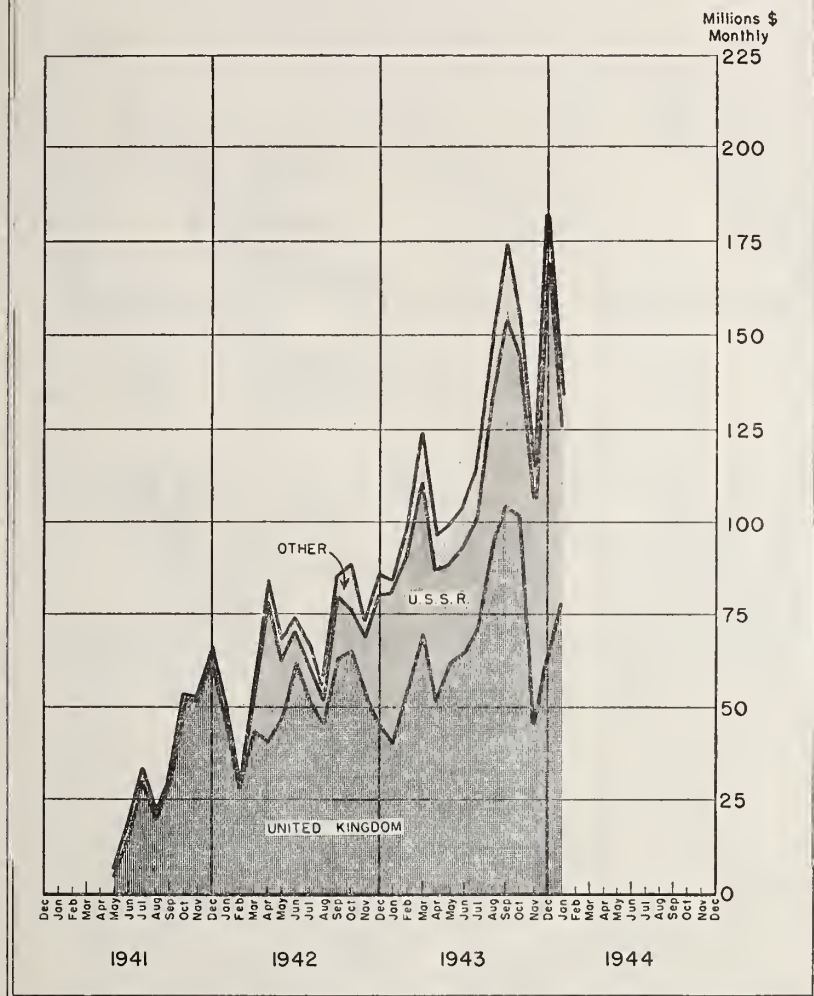
Month	United Kingdom	Union of Soviet Socialist Republics	Other countries	Total
1941—May .....	4,869		651	5,520
June .....	15,922		2,402	18,324
July .....	30,856		3,045	33,901
August .....	20,119		1,022	21,141
September .....	30,212		604	30,816
October .....	52,433		571	53,004
November .....	52,348		269	52,617
December .....	63,784		596	64,380
1942—January .....	47,641		1,083	48,729
February .....	28,169	781	668	29,618
March .....	43,639	8,813	1,438	53,890
April .....	41,244	37,320	6,022	84,586
May .....	47,083	15,881	5,504	68,468
June .....	62,573	7,600	4,408	74,581
July .....	52,116	10,149	4,783	67,048
August .....	46,368	6,388	3,603	56,359
September .....	63,046	16,907	5,739	85,692
October .....	65,306	11,666	11,122	88,094
November .....	54,546	14,737	3,757	73,040
December .....	46,569	33,446	6,285	86,300
1943—January .....	40,863	40,067	3,502	84,432
February .....	54,138	36,695	3,166	93,999
March .....	69,492	41,968	13,036	124,496
April .....	52,432	35,033	8,537	96,002
May .....	62,256	25,899	10,899	99,054
June .....	64,805	29,054	11,094	104,953
July .....	71,555	30,298	13,265	115,118
August .....	94,737	38,248	16,166	149,151
September .....	104,748	49,124	20,279	174,151
October .....	102,124	42,383	10,606	155,113
November .....	45,774	61,275	8,292	115,341
December .....	62,798	106,327	13,216	182,341
1944—January .....	78,087	47,493	8,304	133,884

*Lend-lease exports of foods*

[Monthly in thousands of pounds]

	Meat and fish	Milk products	Eggs	Fruits and vegetables	Sugar	Grain and cereals	Other foods	Total
1942—January .....	93,176	109,115	8,438	93,480	1,007	37,933	239	343,388
February .....	68,180	39,656	6,714	16,748	2,315	1,863	471	135,947
March .....	147,688	29,144	11,882	22,164	24,905	10,373	2,683	248,839
April .....	199,184	36,346	21,885	37,856	60,378	43,847	1,616	401,112
May .....	149,498	55,477	24,244	35,302	32,535	86,366	2,173	385,595
June .....	194,424	58,961	11,602	28,220	14,985	39,296	4,086	351,574
July .....	177,144	67,949	1,189	28,746	13,201	73,837	2,077	364,143
August .....	145,983	32,639	6,846	14,858	624	49,769	14,196	264,815
September .....	178,221	117,901	16,009	31,073	23,601	41,119	739	408,663
October .....	188,548	113,135	13,343	39,895	8,301	20,064	1,814	385,100
November .....	154,533	65,025	12,069	59,293	12,848	27,852	3,194	334,814
December .....	157,681	55,977	25,300	101,670	21,455	120,370	11,647	494,100
1943—January .....	181,342	40,831	20,938	65,540	12,275	50,928	22,902	394,756
February .....	180,058	111,363	17,628	90,076	64,060	75,652	23,950	562,187
March .....	225,355	109,518	26,354	58,094	134,370	167,983	29,465	751,139
April .....	188,650	66,981	17,576	70,558	42,727	173,761	24,248	584,501
May .....	223,985	70,479	14,218	66,834	22,741	127,769	18,493	544,519
June .....	256,690	75,362	10,653	66,524	101,175	139,650	29,147	679,211
July .....	254,196	77,549	9,047	46,934	109,037	186,882	8,613	692,258
August .....	353,878	83,692	12,116	98,567	126,296	103,327	12,357	790,233
September .....	356,558	127,384	20,422	120,068	170,258	90,443	10,388	895,521
October .....	263,542	89,726	36,283	109,242	89,419	84,998	11,336	684,546
November .....	237,737	76,506	19,111	121,466	110,243	73,710	14,182	652,955
December .....	324,250	132,885	28,260	161,625	163,868	148,378	18,707	977,973
1944—January .....	235,302	69,337	26,797	133,065	81,846	247,569	4,442	798,358

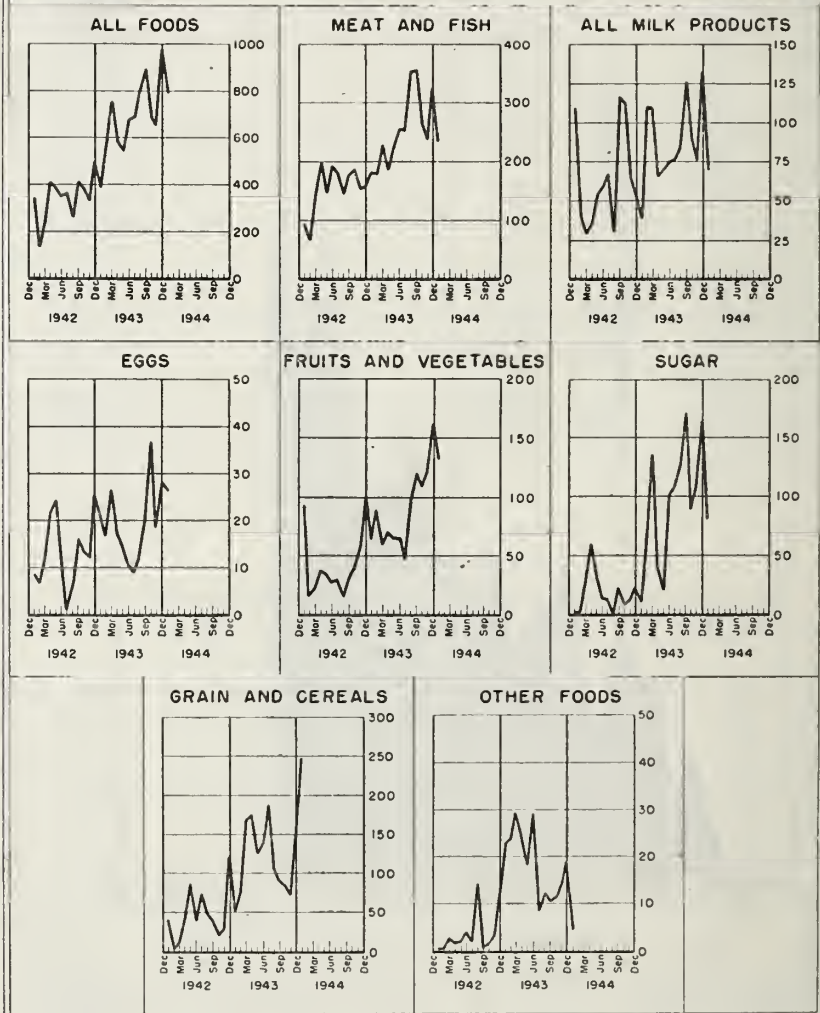
## VALUE OF LEND-LEASE FOOD EXPORTS



Foreign Economic Administration

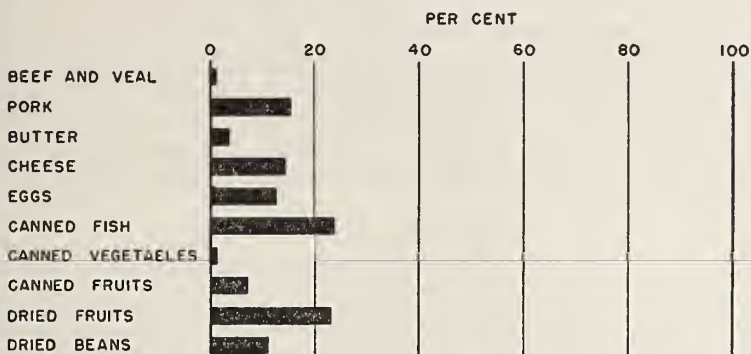
## MONTHLY LEND-LEASE FOOD EXPORTS

QUANTITIES IN MILLIONS OF POUNDS





# LEND-LEASE FOOD EXPORTS IN PER CENT OF SUPPLY YEAR 1943



## LEND-LEASE FOOD SHIPMENTS IN RELATION TO SUPPLY AND TO U.S. CIVILIAN POPULATION

	EXPORTS IN PER CENT OF SUPPLY		OUNCES PER WEEK PER U. S. CIVILIAN	
	YEAR 1943	YEAR 1942	YEAR 1943	YEAR 1942
BEEF AND VEAL	1.3	0.3	0.3	0.1
LAMB AND MUTTON	11.1	0.4	0.3	0.01
PORK	15.4	11.9	5.0	3.3
BUTTER	3.8	0.8	0.2	0.05
CHEESE	14.3	23.6	0.4	0.8
EGGS	12.4	9.6	2.4	1.6
EDIBLE FATS & OILS	16.3	11.3	2.7	1.7
CANNED FISH	26.8	17.3	0.6	0.4
CANNED FRUITS & JUICES	6.9	3.7	0.8	0.4
DRIED FRUITS	20.3	16.3	0.7	0.5
CANNED VEGETABLES	1.5	1.6	0.3	0.2
DRIED BEANS	11.4	5.1	0.8	0.3
DRIED PEAS	9.9	7.6	0.3	0.1
CORN & CORN PRODUCTS	0.1	0.2	0.9	1.4
WHEAT & WHEAT PRODUCTS	1.0	0.4	3.1	1.0

## ALARM CLOCKS FOR AUSTRALIA

1. The American alarm clock production quota for 1944 has been set by the War Production Board at about 5,000,000.

2. About 75 percent, or approximately 3,750,000 alarm clocks, have been allocated for the use of United States civilians in 1944. The balance has been allocated to the Army and Navy and for export to our fighting allies and other countries.

3. Representatives of General MacArthur's staff and the Australian Foreign Economic Administration Mission approved a minimum requirement of 100,000 alarm clocks for Australia. This requirement was cut by the Foreign Economic Administration and the War Production Board to 70,500. Of the 70,500 alarm clocks allocated to Australia, 18,000 have already been shipped. It is expected that the entire shipment will be completed by spring.

4. Australia has no alarm-clock industry. Before the war, there was little demand for alarm clocks since the country was largely agrarian. The war necessitated industrialization which has resulted in the transfer of large numbers of the population to the cities for employment in factories where rotating shifts, long and irregular hours, and home-guard duties have made alarm clocks a necessity.

5. The distribution of the clocks is controlled by the department of supply and shipping and an essentiality certificate is issued before a clock can be purchased.

## COMPARATIVE PUBLIC DEBT

Evidence was presented to the House Foreign Affairs Committee during the hearings on the extension of the Lend-Lease Act concerning the comparative war expenditures of several of the United Nations. It was pointed out that the proportion of gross national production being spent for war purposes affords one of the best measurements of the war effort of a country. Mr. Mundt asked if it would be possible to relate the gross public indebtedness of these countries to their gross national production.

The following table states the gross public debt of the central government as of December 31, 1943, as a percentage of the estimated gross national production during 1943:

United States.....	89	Canada.....	134
United Kingdom.....	204	Australia.....	91

If the debt accumulated before the war is disregarded and the increase in the gross national debt from January 1, 1940, through December 31, 1943, is stated as a percentage of gross national production during 1943, the following results are obtained:

United States.....	67	Canada.....	60
United Kingdom.....	111	Australia.....	72

The relationship between public indebtedness and gross national production is a useful indication of the financial burden which the war effort is imposing upon a country but it cannot be considered a final measurement of this burden. A country which is financing a comparatively small proportion of its current expenditures from current income will have a rapidly rising debt while a country which imposes a more rigorous taxation system will show a relatively slight increase in indebtedness. Yet, it certainly cannot be maintained that the population which is paying larger current taxes is making a lesser financial sacrifice than the population which is paying lower taxes. Thus, for example, there are sharp variations in the percent of 1943 expenditures which were financed from current income (primarily taxation):

United States.....	39	Canada.....	51
United Kingdom.....	51	Australia.....	42

If central government taxation during 1943 is stated as a percentage of the estimated gross national product during 1943 similar results are obtained:

United States.....	18	Canada.....	28
United Kingdom.....	31	Australia.....	24

## FUNCTIONS OF FOREIGN ECONOMIC ADMINISTRATION

FOREIGN ECONOMIC  
ADMINISTRATION

## EXPORT ACTIVITIES

Programming and shipping of  
lend-lease supplies.

Commercial export assistance  
and war-time control.

Furnishing needed civilian supplies  
for relief and rehabilitation.

Export coordination operations.

## IMPORT ACTIVITIES

Government development, procurement  
and importation of strategic  
materials, commodities and food-  
stuffs from abroad.

Imports under reverse lend-lease.

Special purchase operations abroad,  
primarily to help stabilize the  
economy of friendly countries or  
"preclusively" to keep the enemy  
from getting strategic materials.

## OTHER ACTIVITIES

Economic warfare intelligence and  
analysis, including work on  
bombing objectives, blockade  
measures and other strategic  
phases.

Coordination and supervision of  
the lend-lease program and of  
all U.S. foreign economic  
operations.



It is apparent that in both Canada and the United Kingdom the public debt in relation to productive capacity is much greater than in the United States or Australia despite the fact that Canada and the United Kingdom have much more rigorous taxation systems. The wartime increase in the public indebtedness of the United States has been very great in monetary terms but in proportion to our resources the increase has not been larger than that of our allies despite the fact that we are obtaining a relatively small part of our war finance from taxation and a relatively large part through borrowing.

#### STATEMENT OF FOREIGN ECONOMIC ADMINISTRATION FUNCTIONS

The Foreign Economic Administration was established by Executive Order No. 9380 issued on September 25, 1943.

It is a consolidation of several war agencies. The functions of these war agencies were all in the field of foreign economic operations.

The constituent agencies were (1) the Office of Lend-Lease Administration; (2) the Office of Economic Warfare, including Government corporations operating under its jurisdiction such as United States Commercial Company, Rubber Development Corporation, Petroleum Reserve Corporation, and the Export-Import Bank of Washington; (3) the Office of Foreign Relief and Rehabilitation Operations; and (4) that part of the Office of Foreign Economic Coordination of the State Department which dealt with foreign economic operations. The functions of the War Food Administration and the Commodity Credit Corporation with respect to the procurement and development of food, agricultural machinery, and other food facilities in foreign countries were transferred to and consolidated in the Foreign Economic Administration by Executive Order No. 9385 dated October 6, 1943. In addition most of the foreign procurement activities formerly performed by Metals Reserve Company, Defense Supplies Corporation, and Defense Plant Corporation have been taken over by the Foreign Economic Administration pursuant to the terms of Executive Order No. 9361 dated July 15, 1943.

In general, the functions of the Foreign Economic Administration are those of its constituent agencies. These functions may be briefly described as follows:

1. The administration of the Lend-Lease Act, including making arrangements for the procurement, purchase, and transmission of supplies, services, and information to countries eligible for lend-lease aid and making arrangements for the receipt by the United States of reverse lend-lease aid from such countries.

2. Control for war purposes of the export of commodities from the United States through export licensing.

3. The procurement from abroad of strategic and critical materials and food essential to the war effort.

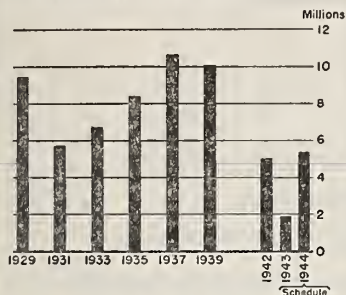
4. The preclusive purchasing abroad of strategic commodities which are of importance to the enemy for military or civilian needs and which might otherwise fall into their hands.

5. Assembly and analysis of information relating to the industrial economy of, and general economic conditions within, enemy and neutral countries for purposes of economic warfare, such as black lists, blockade measures, and preclusive buying. Such information is also made available to the military for use in choosing bombing objectives and in other strategic planning.

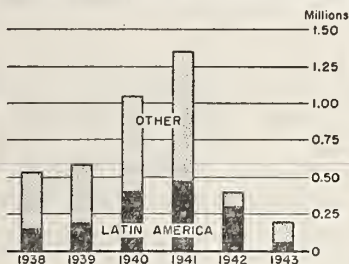
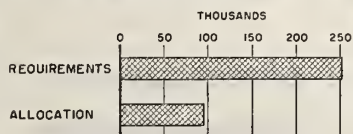
These functions are in the main those formerly performed by the Office of Lend-Lease Administration and the Office of Economic Warfare. Some of the functions formerly carried on by the Office of Foreign Relief and Rehabilitation Operations relating to relief and rehabilitation activities in liberated areas will, of course, be carried on by United Nations Relief and Rehabilitation Administration. But the Foreign Economic Administration will assist the military authorities, the foreign government in control, or United Nations Relief and Rehabilitation Administration in the procurement of essential civilian goods in any liberated area if and when called upon to do so.

## ALARM CLOCKS

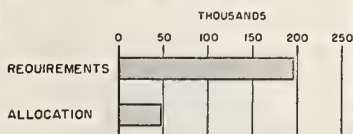
## UNITED STATES PRODUCTION



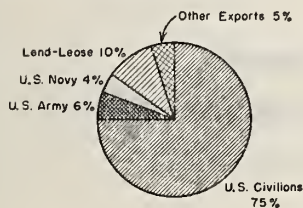
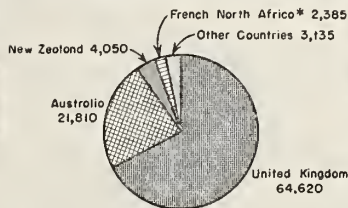
## EXPORTS FROM THE UNITED STATES

LEND-LEASE  
REQUIREMENTS AND ALLOCATION  
FIRST QUARTER 1944

Requirements as submitted to W.P.B. and allocation based on estimated production of 960,000.

OTHER EXPORT  
REQUIREMENTS AND ALLOCATION  
FIRST QUARTER 1944

Requirements as submitted to W.P.B. and allocation based on estimated production of 960,000.

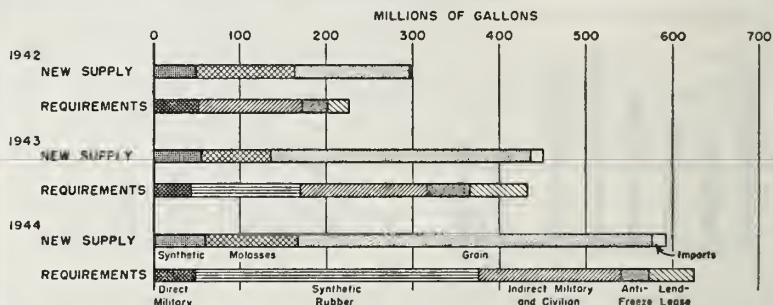
ALLOCATION OF PRODUCTION  
FIRST QUARTER 1944LEND-LEASE ALLOCATION  
FIRST QUARTER 1944

\*Cash Requirements

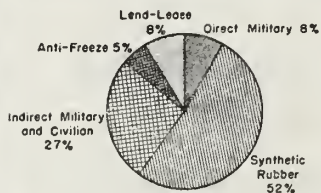
## INDUSTRIAL ALCOHOL

(1944 data are estimates by W.F.B.)

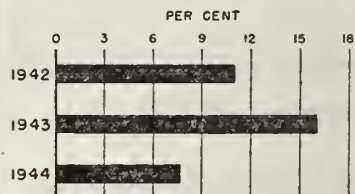
## SUPPLY AND REQUIREMENTS



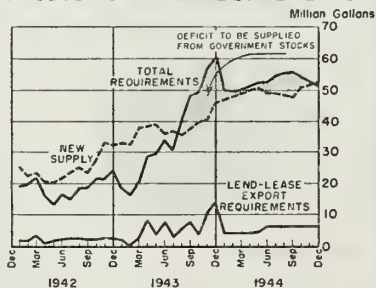
## ESTIMATED 1944 REQUIREMENTS



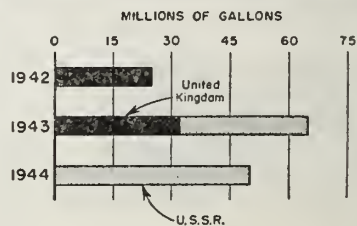
## LEND-LEASE REQUIREMENTS IN % OF TOTAL REQUIREMENTS



## PRODUCTION AND REQUIREMENTS



## LEND-LEASE EXPORTS

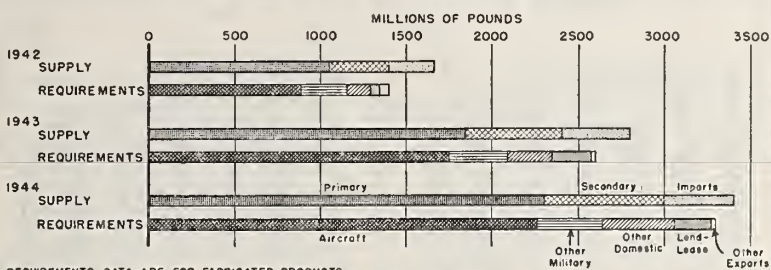




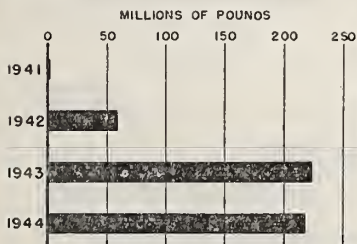
## ALUMINUM

(1944 data are estimates by W.P.B.)

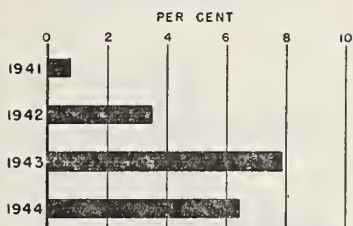
## SUPPLY AND REQUIREMENTS



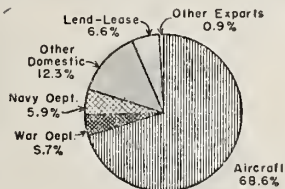
## LEND-LEASE EXPORTS



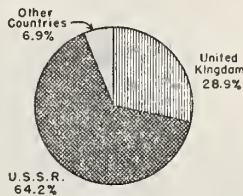
## LEND-LEASE EXPORTS IN % OF TOTAL SUPPLY



## ESTIMATED 1944 REQUIREMENTS

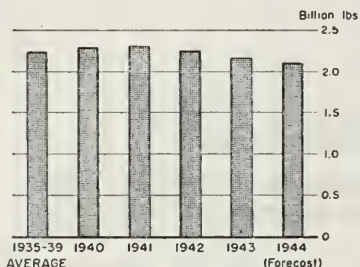
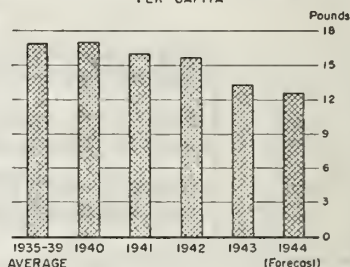
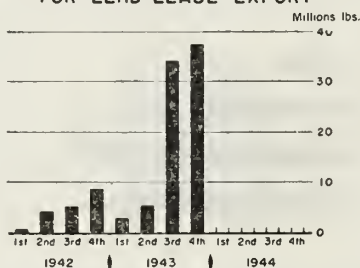
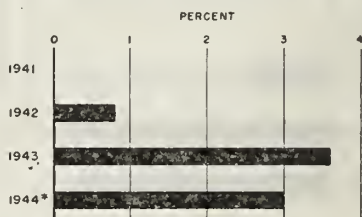


## WHERE LEND-LEASE ALUMINUM HAS GONE 1941-1943

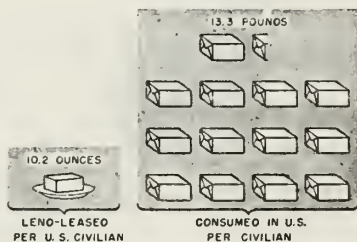
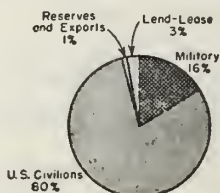


## BUTTER

TOTAL U. S. SUPPLY

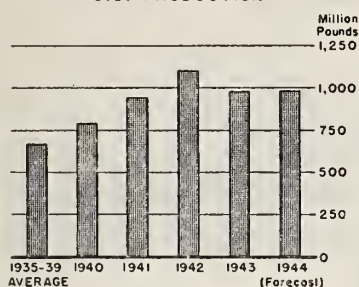
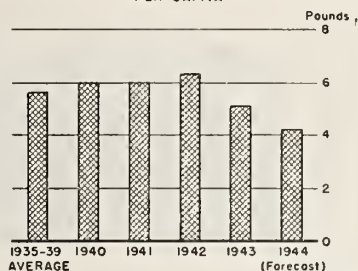
U. S. CIVILIAN CONSUMPTION  
PER CAPITAQUARTERLY DELIVERIES  
FOR LEND-LEASE EXPORTLEND-LEASE EXPORTS IN % OF  
TOTAL U. S. SUPPLY

\* W. F. A. allocation

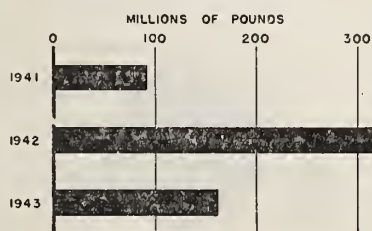
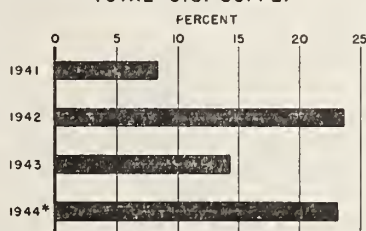
AMOUNT LEND-LEASE COMPARED  
WITH CONSUMPTION IN U. S.  
YEAR 1943ALLOCATION BY W. F. A.  
OCTOBER 1, 1943 TO OCTOBER 1, 1944

## CHEESE

U.S. PRODUCTION

U.S. CIVILIAN CONSUMPTION  
PER CAPITA

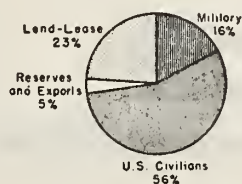
QUANTITY LEND-LEASED

LEND-LEASE EXPORTS IN % OF  
TOTAL U.S. SUPPLY

\* W.F.A. Allocation

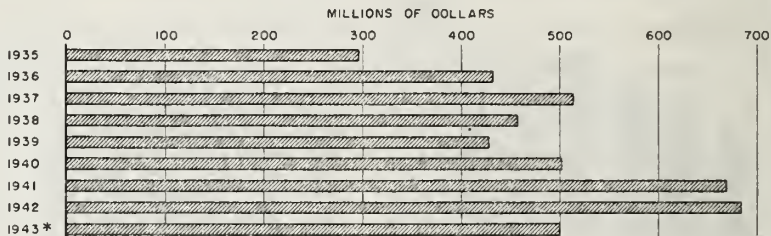
QUANTITY LEND-LEASED COMPARED  
WITH CIVILIAN CONSUMPTION IN U.S.  
YEAR 1943LEND-LEASED  
PER CAPITAU.S. CONSUMPTION  
PER CAPITA

EACH FIGURE REPRESENTS ONE POUND

ALLOCATION BY W.F.A.  
OCTOBER 1, 1943 TO OCTOBER 1, 1944



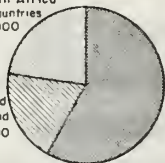
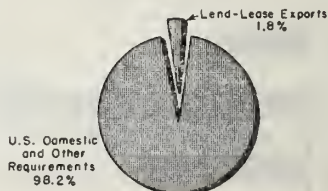
## FARM MACHINERY

PRODUCTION IN THE UNITED STATES  
EXCLUDING CRAWLER-TYPE TRACTORS

\* Estimated

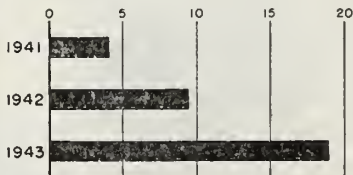
WHERE LEND-LEASE EXPORTS  
HAVE GONE

1941-1943

U.S.S.R., North Africa  
and Other Countries  
\$6,400,000Australia and  
New Zealand  
\$6,900,000United Kingdom  
\$19,500,000LEND-LEASE EXPORTS  
IN RELATION TO PRODUCTION  
MARCH 1941—DECEMBER 1943

## LEND-LEASE EXPORTS

MILLIONS OF DOLLARS



## COMMENTS

Lend-leasing farm machinery instead of additional food has resulted in a substantial saving in shipping space and in a smaller drain on our food supply.

Increased food production in allied countries has been used in part for U.S. forces.

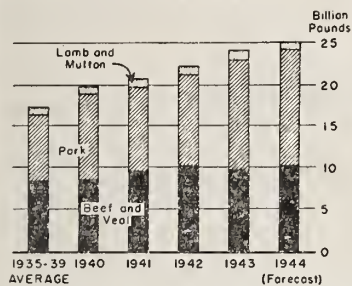
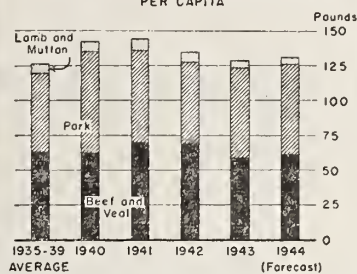
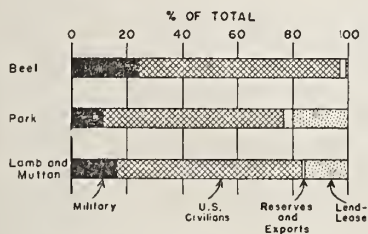
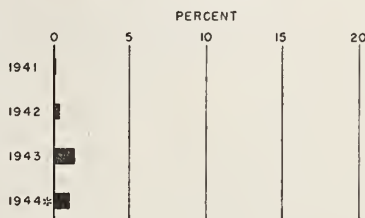
Allies' farm machinery plants were converted to ordnance production early in the war.

Lend-lease farm machinery has aided the British in increasing their farm production by 70%.

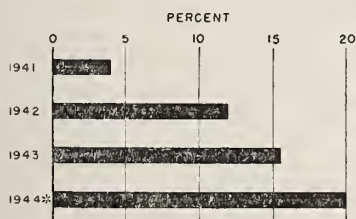
Lend-lease shipments have been kept at the absolute minimum necessary for our allies' production of the food essential to our joint war effort.

**MEAT**

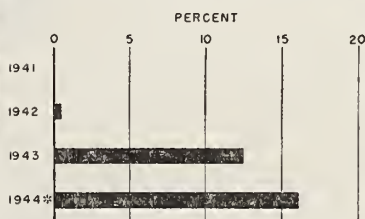
(Dressed weight basis)

**TOTAL U.S. SUPPLY****U.S. CIVILIAN CONSUMPTION PER CAPITA****ALLOCATION BY W.F.A.  
OCTOBER 1, 1943 TO OCTOBER 1, 1944****BEEF LEND-LEASED IN % OF  
TOTAL U.S. SUPPLY**

\*W.F.A. allocation

**PORK LEND-LEASED IN % OF  
TOTAL U.S. SUPPLY**

\*W.F.A. allocation

**LAMB AND MUTTON LEND-LEASED  
IN % OF TOTAL U.S. SUPPLY**

\*W.F.A. allocation

The CHAIRMAN. If there are no other questions, and if there is nothing further that anyone wants to present, this will conclude our hearing on H. R. 4254.

(Hearing concluded.)

×



# LEND-LEASE AID

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PRELIMINARY REPORT  
OF  
COMMITTEE INVESTIGATORS  
TO THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ON  
LEND-LEASE AID AND GOVERNMENT  
EXPENDITURES ABROAD

---

MAY 1, 1944



PRESENTED BY MR. MCKELLAR

MAY 4 (legislative day, APRIL 12), 1944.—Ordered to be printed

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1944



## PRELIMINARY REPORT ON LEND-LEASE AID AND GOVERNMENT EXPENDITURES ABROAD

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The CHAIRMAN, SUBCOMMITTEE ON DEFICIENCIES,  
COMMITTEE ON APPROPRIATIONS,  
*United States Senate.*

DEAR MR. CHAIRMAN: Under date of November 22, 1943, the Subcommittee on Deficiencies directed that the following data be secured:

May 1, 1944.

1. By countries, all lend-lease aid given by the United States.
2. By countries, all lend-lease aid furnished the United States.
3. We will want to know in reasonable detail what the aid contained in proposition 1 and 2 consist of.
4. We want to know the extent of purchases and for which made, by countries, of the Bureau of Economic Warfare.
5. We want to know the expenditures and purposes for which made, by the coordinator of Inter-American Affairs.
6. We want to know the expenditures and the purposes by countries made by the Reconstruction Finance Corporation and all branches thereof.
7. We want to know what the purchases of loans were by foreign countries made by the Export and Import Bank.
8. We want to know the expenditures made by the Army and by the Navy in foreign countries and the purposes for which expended.
9. We want to know the expenditures by foreign countries made to our Army or Navy other than by lend-lease in reverse for use of our Army and Navy.
10. Finally, we want a master set of books showing by countries what each has received under any agency of our Government and we want to know by countries what we have received from any agency of any other government. Finally, again we want a super-balance sheet which shows these totals by countries in dealings direct and indirect of our expenditures and theirs in any and all foreign fields.

It will be seen from the very nature thereof that the assignment is a continuing one, the ultimate aim of which is to develop a record of lend-lease aid and expenditures abroad that will be of material benefit to the Committee on Appropriations and to the Congress at the time hostilities have ceased and settlements between the nations are undertaken. It is felt advisable, however, at this time to submit a preliminary report to the committee setting forth the progress that has been made, the difficulties that have been encountered and the steps that are being taken ultimately to furnish the information desired.

### GENERAL

After a study of the Lend-Lease Act and the various appropriations made thereunder, a letter was addressed to the various departments and agencies of the Government involved calling for the submission of reports setting forth the following information:

1. Lend-lease aid—to be shown under the various heads of the Lend-Lease Act, namely: ordnance and ordnance stores; aircraft and aeronautical material; tanks and other vehicles; vessels and other



watercraft; miscellaneous military equipment; facilities and equipment; agricultural, industrial, and other commodities; testing, reconditioning, etc., of defense articles; services and expenses; administrative expenses.

2. Loans.
3. Grants
4. Investments.
5. Construction of facilities.
6. Purchases.
7. Current expenses of United States Government agencies.
8. Any other aid furnished to or expenditures made in or for the benefit of a foreign country, but not included in any of the above categories.
9. The amounts of aid, expenditures, contributions, etc., made by other countries for the benefit of the United States or for the joint benefit of the United States and the foreign country, in the prosecution of the war, this report to cover the same period and be set up in the same manner and detail as the one showing the aid, etc., furnished by the United States.

Shortly after sending out this letter, in contacting the Foreign Economic Administration and other agencies it was learned that there was in existence an "Interdepartmental Committee to Study Recording and Reporting of Lend-Lease Transactions and Government Expenditures Abroad." This interdepartmental committee was the outgrowth of the suggestion by Senator Tydings, made during the hearings before the Senate Committee on Appropriations in May 1943, to Mr. Stettinius, then Administrator of Lend-Lease, of the necessity and advisability for having some central agency through which all aid and expenditures abroad could be coordinated and from which records periodic statements for the benefit of the Congress could be prepared. At the suggestion of Mr. Stettinius the study was undertaken by the Bureau of the Budget, with representatives from the State Department, Treasury Department, War Department, Navy Department, and Foreign Economic Administration comprising the committee. The function of the interdepartmental committee was to appraise the methods of accounting and reporting, and to make recommendations for desirable improvements therein; it was not called upon to produce dollar figures or even estimates of foreign transactions.

When the representatives of the appropriations committee learned of the existence of the interdepartmental committee, it was realized that there would be duplication of effort to the extent of the study of the methods of accounting and reporting. Accordingly, to avoid this duplication of effort, and at the same time to take advantage of the work accomplished and time spent by the interdepartmental committee—comprised of men thoroughly familiar with all phases of aid being rendered and expenditures made—contact was made with the chairman of the committee. It was learned that the interdepartmental committee had completed its work and was in the process of writing its report and, in a fine spirit of cooperation, your representatives were invited to sit in on several of its meetings. As a result of the discussions at these meetings, and others with the chairman of the committee, the report of the interdepartmental committee was submitted to the Appropriations Committee by letter of the Director of

the Bureau of the Budget to Senator McKellar, acting chairman of the Senate Appropriations Committee, dated March 11, 1944.

The principal recommendations of the interdepartmental committee were:

1. That early action be taken in designating an agency as a clearing house for all records and reports concerning international transactions.
2. That each agency involved in international transactions designate a liaison office for contact with the clearinghouse.

The more important of the specific recommendations made by the committee are set forth on pages 15, 16, and 17 of its report.

#### ESTABLISHMENT OF CLEARINGHOUSE

In line with the recommendation of the interdepartmental committee, the President, in a letter addressed to the Honorable Leo T. Crowley, Administrator, Foreign Economic Administration, under date of April 7, 1944, directed him to establish such a clearinghouse in the Foreign Economic Administration, under a director to be appointed by him. The functions of the clearing house include:

1. To develop, in cooperation with the other agencies concerned, such forms and procedures as will assure the necessary information on our transactions relative to foreign areas.

2. Where more than one agency is involved, to collaborate with the agencies of whom information is requested in furnishing such information within, of course, the limits of security requirements.

Information to be covered by this arrangement should include, particularly, transactions on account of international aid, relief in liberated areas, procurement abroad, loans and financial aid, and all other Government outlays and expenditures abroad and receipts from abroad, and also inventory information concerning military and nonmilitary installations, improvements, and stock piles abroad.

The President further stated that it would seem advisable to establish an advisory interdepartmental committee to assist the director, which committee might among others include representatives of the Department of State, Department of the Treasury, War Department, Department of the Navy, Department of Commerce, the Bureau of the Budget and the Office of the Coordinator of Inter-American Affairs. (A copy of the President's letter is attached hereto, marked "Exhibit I".)

Furthering the spirit of cooperation which has been exhibited by officials of the Foreign Economic Administration, Mr. Crowley under date of April 15, 1944, addressed a letter to Senator McKellar advising him of the action of the President, and requested that a representative of the investigative staff of the Senate Appropriations Committee be named to serve on the advisory committee. (A copy of this letter is marked "Exhibit II.")

With the findings of the interdepartmental committee thus made available to the appropriations committee, the staff centered its efforts on securing reports showing the value of aid rendered and the amount of expenditures abroad. The original reports called for were to be submitted as of October 31, 1943, with monthly reports thereafter. For several of the agencies, particularly the War and Navy Departments, the reports to October 31, 1943, have been the only ones received. This, of course, is due to the delay in information reaching them from all parts of the world. For other agencies reports have been received up to and including February 29, 1944.

For the purpose of this report, comments will be made on each of the items set forth in the memorandum of the subcommittee on deficiencies, with tabulated statements attached to show the details. In this connection the attention of the committee is respectfully invited to the requests of the War and Navy Departments that for reasons of military security the figures furnished herein be kept secret. It is also the desire of the Foreign Economic Administration that the break-down of lend-lease aid by countries be kept confidential; and the Coordinator of Inter-American Affairs likewise requests that the country-by-country break-down of the expenditures of his office be kept confidential.

#### APPROPRIATIONS

Lend-Lease appropriations made to the President total \$24,683,-629,000. Of this amount a total of \$22,576,626,477.54 has been allocated to various departments and agencies of the Government, leaving an unallocated balance as of February 29, 1944, of \$2,107,002,-522.46. Of the amount allocated, the sum of \$18,748,927,285.53 has been obligated by the departments and agencies to which allocated, leaving an unobligated balance of \$3,827,699,192.01. The available funds (unallocated and unobligated) as of February 29, 1944, therefore amounted to \$5,934,701,714.47. (A statement showing the status of the lend-lease appropriations is attached, marked "exhibit III.")

In addition to the lend-lease appropriations made to the President, transfers from appropriations made to the War and Navy Departments and to the Maritime Commission have been authorized to the extent of \$35,970,000,000. In reports of lend-lease aid furnished, however, no distinction is made as to the appropriations under which the items were procured or transferred.

In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission, without any numerical limitation as to the dollar value or the number of such ships which may be so leased.

#### DIRECT LEND-LEASE

Lend-lease aid to January 31, 1944, amounted to \$21,794,737,819. Of this total, \$20,961,627,234 represented actual transfers to lend-lease countries, including items totaling \$549,487,264 consigned to United States commanding generals for subsequent transfer in the field. The remainder of \$832,610,585 covered charges not allocated to the lend-lease countries, as follows:

Production facilities in the United States.....	\$604, 993, 000
Storage and distribution services and facilities in the United States.....	94, 584, 566
Transportation charges, supplies, and materials for vessels, ferrying of aircraft expenses, miscellaneous and contingent expenses.....	99, 813, 019
Administrative expenses.....	33, 220, 000
Total.....	832, 610, 585

The figure of \$20,961,627,234 representing actual transfers to lend-lease countries is distributed as follows:



Ordnance and ordnance stores.....	\$2, 546, 442, 101
Aircraft and aeronautical material.....	3, 854, 473, 980
Tanks and other vehicles.....	3, 047, 854, 819
Vessels and other watercraft.....	3, 346, 058, 940
Miscellaneous military equipment.....	834, 920, 143
Facilities and equipment.....	540, 144, 111
Agricultural, industrial, and other commodities.....	5, 410, 118, 412
Testing, reconditioning, etc., defense articles.....	511, 035, 784
Services and expenses.....	321, 091, 680
Consigned to commanding generals for subsequent transfer.....	549, 487, 264
Total.....	20, 961, 627, 234

From a geographical standpoint, the distribution is:

British Empire.....	\$15, 640, 479, 250
Russia.....	4, 161, 422, 010
China.....	418, 296, 436
South American republics.....	136, 944, 906
Mexico and Central America republics.....	17, 440, 208
Caribbean area.....	4, 152, 802
Other countries.....	582, 891, 622
Total.....	20, 961, 627, 234

(A table showing a further distribution of these figures is attached as exhibit IV.)

In this connection it is felt advisable to bring to the attention of the committee comments made by the Foreign Economic Administration, the War Department, and the Navy Department, as follows:

#### FOREIGN ECONOMIC ADMINISTRATION

An important limitation exists in the figures for the United Kingdom in that they are not broken down to show retransfers to the dominions and colonies. In the early days of the lend-lease program it was agreed that all requests for goods or services for the British Empire would be made on United Kingdom requisitions. This was done to insure that all possible materials would be furnished from within the Empire before lend-lease aid was requested, to permit the greatest flexibility in the distribution of all materials from within the Empire in accordance with the shifting strategy of modern war, and for other military reasons. Consequently, our records were set up on this basis and it is not possible at this time to determine from the total goods transferred the value of retransfers by the United Kingdom to the dominions and colonies. We have, however, the basic records from which this information can be obtained.

The need for this information has been recognized, however, and we are proceeding with the work of breaking down the transfer data as rapidly as possible. It is a sizable job and several months will be required to complete it. As a stopgap, to serve until the distribution of United Kingdom transfers has been completed, we have furnished a break-down of lend-lease exports to the constituent parts of the British Commonwealth. There is a close relationship between goods exported and goods transferred and it is believed that the exports data will provide a satisfactory indication of the destination of goods transferred until such time as the compilation of retransfers has been completed.

#### WAR DEPARTMENT

(a) Some duplication exists between the amounts reported monthly to the Foreign Economic Administration by the War Department for lend-lease aid and the expenditures reported in paragraph 7 of this submission for the reason that supplies purchased in foreign countries may be transferred to the foreign government as lend-lease aid. The amount of this duplication cannot be determined.

(b) Aid furnished by overseas theaters is valued by the theater and the accuracy of such values cannot be verified in the War Department as the condition of the items transferred is not known. Reports are not complete on this aid furnished.

(c) Diversions to United States Army use of lend-lease war material by theater commanders have not been eliminated from transfers reported to the Foreign Economic Administration. Reports received from theaters were incomplete and not priced. That data has been returned to the field for completion and evaluation.

#### NAVY DEPARTMENT

The following comments on reports of transfers are pertinent. Transfers are not reported until the transaction is complete, and all documents, including a receipt signed by an agent of the foreign government, has been received in the Navy Department.

Services rendered are reported as a transfer when it is possible to identify them with a foreign requisition. Where it is not possible to identify a service with a specific foreign requisition, as for example, freight charges on miscellaneous lend-lease material, the expenditure is handled in one of two ways, i. e.:

(a) If made from an allocation of funds to the Navy from lend-lease appropriations to the President, it is reported to Foreign Economic Administration as a lend-lease expenditure under category nine of the allocation without reference to nation; or

(b) If made from a naval appropriation it is reported as an expenditure from that appropriation for the purpose of the appropriation without reference to lend-lease, and no report is made to Foreign Economic Administration.

No attempt has been made to assign production facilities to specific foreign nations; they are all considered as United States facilities, and in most cases are used by the United States as well as for the nation whose requisition may have prompted their initiation. The cost of production facilities, when financed from allocations from lend-lease appropriations to the President, is reported to the Foreign Economic Administration as an expenditure against category 6 of the allocation, without reference to foreign nation. No report is made to the Foreign Economic Administration when such facilities are financed from regular naval appropriations. With the exceptions dealt with herein in section No. 4, all such facilities, however financed, are in the United States.

No attempt has been made to evaluate information imparted under the terms of the Lend-Lease Act and no report has been made to the Foreign Economic Administration.

In addition to the exceptions in reports to the Foreign Economic Administration noted in the foregoing, there are other minor exceptions. For example, in determining inspection, handling, administrative, and like costs which are incurred in dealing with lend-lease activities it is usually not possible effectively to segregate and prorate the lend-lease portion from the regular Navy portion. Such costs have therefore been absorbed by the naval appropriations.

The valuations of transfers reported to the Foreign Economic Administration and of expenditures of allocations of lend-lease funds from appropriations made to the President have been based on costs as determined by contract or purchase price or by actual expenditures from the allocations made. It is clear that in view of the exceptions cited above, this is not the true cost. Given time and effort a close approximation to the true cost might be made.

#### REVERSE LEND-LEASE

The problem of reporting and valuing reverse lend-lease aid constitutes one of the most difficult and complex problems with which the United States Government is faced in its program of mutual aid with foreign governments.

As of March 15, 1944, reciprocal aid was reported as follows:

Country	Source of information	End date of report	Amount
United Kingdom:			
In United Kingdom.....	United Kingdom Government.....	Dec. 31, 1943	<sup>1</sup> \$1,366,170,000
In areas outside British Isles.....	do.....	do.....	160,000,000
Australia.....	Australian Government.....	do.....	362,365,000
New Zealand.....	New Zealand Government.....	do.....	91,886,000
India.....	U. S. Army and War Shipping Administration.....	do.....	116,251,000
South Africa.....	Union Government.....	June 30, 1943	145,000
Belgian Congo.....	Army.....	Nov. 30, 1943	284,000
French North and West Africa.....	Army, Navy, War Shipping Administration (estimate).....	Jan. 1, 1944	30,600,000
New Caledonia.....	New Caledonian Government.....	Mar. 14, 1943	315,000
French Equatorial Africa.....	Army.....	Aug. 31, 1943	50,000
Netherlands in Surinam.....	do.....	Oct. 31, 1943	85,000
Russia.....	Russian Government.....	Sept. 30, 1943	1,000,000
Total.....	.....	.....	2,129,151,000

<sup>1</sup> Does not include raw materials other than benzol.

It must be borne in mind that the above figures represent estimates, and are not final.

The reporting of reciprocal aid has been difficult. Originally, the Army and Navy required its overseas commanders to report the aid received in detail as well as the "value" thereof, determined either on the basis of values furnished by foreign governments or, alternatively, estimates by United States military or naval personnel. As the volume of reciprocal aid increased, this reporting requirement became a very heavy burden. In the case of the United Kingdom, particularly, the British Government stated that it could not individually price "issue vouchers" covering goods provided to our forces, inasmuch as its accounting system was not established on such a basis that individual prices could readily be determined, and the manpower which would be required to determine such individual prices could not be spared from more important tasks contributing directly to the prosecution of the war.

Faced with the lack of any indication of costs from the British Government in the great majority of items being obtained, our forces concluded that a separate pricing or estimating of value by them would call for a large staff of price analysts whose services could not be spared from the war effort. Moreover, it was felt that even a large force of price analysts would face grave difficulties in arriving at fair estimates of value, due to the dissimilarity of foreign and United States items, the great variety of items involved, etc.

Accordingly, in October 1942, the instructions to our forces overseas with respect to the reporting and valuation of reciprocal aid were revised to permit the recording of aid in terms of a description of items received, in order to permit subsequent evaluation in Washington when that became necessary. Any values furnished by foreign governments, however, were to continue to be reported to Washington. Many reports of this nature have been received and are on file in the Foreign Economic Administration, but up to the present time no action has been taken to evaluate them, as it is felt that any evaluation at the present time would be purely arbitrary and subject to receipt of further information from foreign governments which may not be available until after the war.



As public interest in reverse lend-lease increased during subsequent months, and because of the desire of the Congress and interested Government agencies to obtain, if possible, some monetary measurement of the volume and scope of reciprocal aid, it became apparent that some attempt would have to be made to arrive at a reasonable compromise. Therefore, in June and August 1943, the Army and Navy issued instructions to their overseas commanders requiring that reciprocal aid be reported in the following manner:

1. Values would be requested from responsible foreign government representatives, the values so received representing unilateral estimates by the foreign governments to which the United States Government does not necessarily agree;

2. Any values received from foreign government representatives would not be disputed, but would be reviewed by United States military and naval personnel; and if they were not in agreement with the valuations furnished by foreign governments, they were to submit their own estimate of value for the information of the United States Government; and

3. In the absence of any values furnished by foreign governments, United States military and naval personnel were to arrive at their own estimate of value based upon local cost, market value, or any other reasonable basis.

Simultaneously, negotiations were entered into with the British Government with a view to inducing it to alter its policy on the reporting of reverse lend-lease aid which it has supplied. As a result of these negotiations, the British issued on November 11, 1943, a white paper indicating an estimate (stated to be incomplete) of their out-of-pocket expenditures up to June 30, 1943, in furnishing reciprocal aid to the United States forces. The British Government agreed further that it would thereafter provide quarterly statements of its expenditures for reciprocal aid rendered to United States forces in the United Kingdom. These statements were to reflect approximately 50 major categories and more than 300 subcategories of goods and services. This statement was not to be based in each case on individual prices, which it was stated were not available, but was to be prepared from the figures currently available under the British accounting system and was to represent the best estimates possible by the British Government of the reciprocal aid extended by them to United States forces.

It has been agreed that the reports described will be accepted as unilateral estimates of the British Government, and that the American Government will not be deemed either to agree to them or to be committed by them. While it has been agreed that itemized pricing of individual items may represent an unwarranted expenditure of manpower at this time, the United States Government has reserved the right to request that the British Government supply itemized prices at a later date when the required expenditure of manpower would not interfere with the war effort.

Except for shipping services, the British Government's statements apply only to supplies furnished and services rendered within the United Kingdom. In addition, the United Kingdom is extending aid to American forces from its colonies in various parts of the world. Full and complete records of the value of the aid transferred in these areas may never be available, particularly for transfers which have

occurred during combat. Insofar as the records are available, reports containing monetary expenditures are now being prepared by the British Government. In the meantime, reports are being made by United States forces in those areas.

The Governments of Australia and New Zealand are also periodically making available statements of the cost to them of providing reverse lend-lease assistance. The problems of reporting encountered in these areas are not so great as in the United Kingdom. For example, in New Zealand all United States supply functions have been centralized in a joint purchasing board on which the Army, Navy, and Marine Corps are represented. When goods or services are obtained, the armed forces certify their receipt and pass the vouchers back to the appropriate New Zealand Government department for payment, and such records then provide a statement of expenditures made. In the case of works projects constructed for us by the New Zealand Government, however, there are the difficulties encountered in assessing post-war values and in allocating expenditures for works jointly constructed by American and foreign forces.

In all other areas records of reverse lend-lease received are obtained from the armed forces. Until July 1943, these reports usually were confined to physical descriptions in quantities of goods and services received, to provide a basis for subsequent valuation if such should be necessary. Since July 1943, however, our forces have been endeavoring to obtain estimates of expenditures for all aid received. While these estimates will be of considerable assistance in the future determination of lend-lease benefits, they do not represent a statement by the foreign government of its costs, and provide only a unilateral estimate by United States military or naval personnel operating under difficult conditions.

The need for uniformity in the reporting and valuation of reciprocal aid has been recognized by the armed forces. Because of the complexities of the problem, particularly in combat areas, it has not yet been possible to arrive at a system which is entirely uniform or acceptable. Efforts are constantly being made, however, to improve both the system used and the reports submitted.

A comment by the Navy Department on reciprocal aid would be of interest to the committee:

The Navy Department reports to the Foreign Economic Administration (formerly the Lend-Lease Administration) monthly all reverse lend-lease or reciprocal aid which has been reported. Reports of such reciprocal aid to the Navy Department are admittedly deficient for various reasons. Vigorous steps have been and are being taken to correct this deficiency and these steps are showing results. Some of the reasons why such reports have not been adequate are as follows: Much of the reciprocal aid has been received on the active fighting fronts where the commanding officers have neither the time nor the facilities to maintain the necessary records and to render the corresponding reports. Reciprocal aid has never been distinctly defined and conceptions of what constitutes reciprocal aid and what constitutes joint military operations vary considerably. Some reciprocal aid is difficult if not impossible to evaluate in terms of dollars. The United Kingdom has been very reluctant to place a price on any reciprocal aid, although the aid has been offered freely. In cases where no value or cost is assigned by the foreign government, but quantities and the nature of services have been reported, it is impossible for the Navy Department to assign any significant valuation. Not only do questions of exchange arise, but it is impossible for our officers to estimate the real cost to the foreign government. Furthermore, even if the approximate cost to the foreign government were known, the question arises as to whether that is the real value, or whether it should be the corresponding

value of a similar article or service in this country, or if supplied from this country. Because of these difficulties the instructions have been changed several times.

At present the instructions require our officers to demand a price figure from the foreign government and to submit that figure, together with his own comment, if any. If no price can be obtained from the foreign government our officers are instructed to submit their own best estimate, together with information as to upon what the estimate was based and the rate of exchange used. Obviously, none of these methods of evaluation is entirely satisfactory, but the method by which the foreign government states the cost to it of the aid rendered appears to be the most desirable and is comparable to our own method of evaluating direct lend-lease. Reports on this basis are now being regularly received from Australia and New Zealand and the British Admiralty is being urged to adopt a similar policy.

There is much to be done to develop adequate information on reverse lend-lease. The final story, however, will not be possible until after the cessation of hostilities.

#### BOARD OF ECONOMIC WARFARE

The Economic Defense Board was established by Executive Order 8839 under date of July 30, 1941, for the purpose of developing and coordinating policies, plans, and programs designed to protect and strengthen the international economic relations of the United States in the interest of national defense. The name was changed to the Board of Economic Warfare by Executive Order 8982 dated December 17, 1941. Executive Order 9361 of July 15, 1943, established within the Office for Emergency Management an Office of Economic Warfare, and the Director assumed the functions, powers, and duties of the Board of Economic Warfare, which was terminated by the same order. By Executive Order 9380 of September 25, 1943, the Office of Economic Warfare was consolidated into the Foreign Economic Administration, established by the same order.

The Board of Economic Warfare as such made no purchases. However, upon directives from the War Production Board for the procurement of strategic materials it conducted preliminary negotiations and issued directives to subsidiary corporations of the Reconstruction Finance Corporation to execute contracts that would provide the necessary materials and supplies.

As a result of Executive Orders 9361 and 9385, all foreign procurement contracts then in existence were transferred to the Foreign Economic Administration, and are being processed through the United States Commercial Company. Likewise, all new foreign procurement contracts are being negotiated in the name of that company.

The purchases are made through the subsidiary corporations of the Reconstruction Finance Corporation, and are incorporated in the figures reported for those organizations.

#### COORDINATOR OF INTER-AMERICAN AFFAIRS

The Office of the Coordinator of Inter-American Affairs was set up by order of the Council of National Defense on August 16, 1940, and by Executive Order 8840 of July 30, 1941, was established within the Office for Emergency Management, for the purpose, among others, of furthering the national defense and strengthening the bonds between the nations of the Western Hemisphere. Expenditures are made from direct appropriations and transfers or allocations from the



Office for Emergency Management and the Emergency Fund for the President. No lend-lease funds are involved.

Expenditures made in Latin-American countries to December, 31, 1943, amounted to \$24,038,243, as follows. (See statement attached as exhibit V.)

Loans.....	\$363,818
Grants.....	31,985
Health and sanitation.....	9,535,605
Food supply.....	2,407,797
Coordination committees.....	3,739,986
Transportation.....	1,500,536
Newsprint shipping subsidy.....	428,383
Emergency operations.....	1,379,162
Technical and other assistance (including administrative expenses).....	4,650,971
Total.....	24,038,243

A brief statement on each of the larger items follows:

*Loans.*—There have been only two loan agreements, both of which involve financing of the purchase of equipment. The amounts of the agreements total \$649,187 and \$360,803, respectively. Advances have totaled \$102,522 and \$261,296, respectively. Repayments totaling \$18,959.02 have been made under the first agreement.

*Health and sanitation.*—The objectives of these programs are: (a) To improve health conditions in strategic areas particularly with relation to the requirements of our armed forces and those of our other American allies; (b) to make possible increased production of strategic materials in areas where bad health conditions exist; (c) to raise the general standard of public health practices; and (d) to demonstrate, by carrying out an action program beneficial to all classes of people, that this Government is vitally interested in the welfare of the peoples of the other American republics, thereby helping to obtain an effective realization of this Government's program of hemisphere solidarity. The programs include malaria control, environmental sanitation, improvement of water supply, construction of sewerage systems, construction and equipping of hospitals and health centers, control of plague, leprosy and communicable diseases, medical care of migrants and workers engaged in the production of strategic materials, and the training of doctors, sanitary engineers, hospital administrators, nurses, and other national personnel.

*Food supply.*—The objectives are (a) to stimulate the production of foodstuffs in areas where the demand for food has been increased because of large concentrations of troops and war vessels; (b) to provide sufficient quantities of foodstuffs for workers engaged in the procurement of strategic materials; and (c) to produce foodstuffs in areas which could no longer be supplied by shipments from other areas because of the absence of sufficient shipping. These programs involve technical assistance for the increase and improvement of production of foodstuffs, and fiber products; procurement and distribution of supplies and equipment, such as hand tools, insecticides, and fungicides, seed and plants; improvement of storage and processing facilities; development of irrigation, and training in practical agricultural methods.

*Coordination committees.*—The expenditures under this head represent funds made available to committees located in the other American republics which have been organized by United States citizens of

long residence in those countries. They work in close relationship with the office of the Coordinator and the United States embassies and consulates in carrying out an information program the purpose of which is to spread a wider knowledge of this country in the other Americas. They arrange for the distribution of visual and press materials, for local radio programs, for the distribution of nontheatrical motion picture films, and for small projects in the educational field.

*Transportation.*—The expenditures reported under this category relate to the obligations assumed under notes exchanged on November 18, 1942, between the Government of the United States and the Government of Mexico, whereby it was agreed that both nations would collaborate in the rehabilitation of certain key lines of the Mexican National Railways. United States Government agencies had purchased in Mexico large quantities of strategic materials needed for direct war use. Conditions had so affected offshore shipping that the Mexican National Railways were called upon to transport all of these vitally needed materials, as well as supplies and equipment shipped from the United States to war installations south of Mexico. The resulting traffic burden greatly exceeded peacetime traffic loads and many changes and improvements were essential to continued operation of the railways. Each Government agreed to furnish a proportionate part of the material and equipment required, the Mexican Government and the Mexican National Railways agreed to direct their operating facilities toward the fullest realization of the rehabilitation program, while the United States Government further agreed to furnish necessary technical assistance (trained mechanical, track, and transportation technicians).

The United States Railway Mission in Mexico was created to implement this agreement. Although both Governments agreed to contribute material and equipment, the major contribution by the United States has been in technical assistance. Continued contribution by the Mission will consist largely of technical advice and supervision of various educational programs designed to impart knowledge and understanding of modern practices in railroad operation and maintenance to the Mexican officials and employees.

*Newsprint shipping subsidy.*—These expenditures apply to payments made to carriers for the difference between the established rate for newsprint and the rate at which the carriers would agree to ship newsprint to the other American republics. The ocean-freight rate was reduced in 1940 to \$9.84 per ton by the United States Government. With the outbreak of war and the consequent scarcity of shipping space, the available space was naturally utilized for commodities carrying higher rates. While the requirement for Central and South America is only about 2 percent of United States consumption, the situation, due to the lack of shipping, was relatively much more serious. It was to the interest of this country to help keep friendly newspapers in business. The most satisfactory method seemed to be the payment of a shipping subsidy to bring newsprint up on a level with other commodities. This method was chosen, rather than an increase in the shipping rate, because of the economic condition of the newspapers, which had already been severely hit by the drop in advertising revenue due to the war.

*Emergency operations.*—Expenditures under this category relate to the following:

1. Payments under a contract with the Ecuadorian Development Corporation for the rehabilitation of the Province of El Oro which was devastated during the Peruvian-Ecuadorian boundary dispute. The program was developed under the direction of the Department of State and the Office of the Coordinator with the approval of the Bureau of the Budget, and covers such work as construction, repair, and extension of dispensaries and hospitals, renovation and reclamation projects to facilitate shipping operations, and agricultural programs.

2. A program to alleviate a serious unemployment situation in Honduras created by the cessation of banana exports due to the lack of shipping during the latter part of 1942. The program, arranged by the Department of State and the Office of the Coordinator, in cooperation with the Honduras Government, upon the urgent request of the United States Embassy in Honduras, covered the repair and reconstruction of sections of the highway between Potrerillos and the Lake Yojea area. The objectives were to provide immediately useful employment for temporarily unemployed laborers, to contribute to the improvement of existing means of interocean transportation, and to materially benefit agricultural and other activities in the interior of the country.

*Technical and other assistance (including administrative expenses):* These expenditures apply in general to personnel of the Office of the Coordinator and its corporations stationed outside of the United States who render technical assistance, advice, and aid as required under the cooperative agreements or notes between this Government and the local governments for health and sanitation, food supply, emergency operations, and transportation programs, regardless of whether or not such programs are carried out directly or through cooperative services established within the framework of the local governments.

In addition to the expenditures made in Latin America, additional expenditures have been made in the United States for similar purposes; a brief break-down thereof being as follows:

Grants:

Trade and commercial.....	\$963, 017
Educational, scientific, and cultural.....	929, 225
United States activities.....	532, 575
Research.....	145, 455
Health and sanitation.....	6, 840
Food supply.....	30, 100
General miscellaneous.....	35, 830
Total.....	<hr/> 2, 643, 042 <hr/>

Current expenses:

Administrative expenses.....	7, 290, 474
Confidential.....	400, 000
Trade and commercial.....	610, 000
Motion pictures.....	3, 595, 000
Press.....	2, 875, 000
Radio.....	4, 341, 000
Educational, scientific, and cultural.....	301, 000
United States activities.....	380, 000
Research.....	155, 000
Health and sanitation.....	110, 000
General.....	75, 000
Total.....	<hr/> 20, 132, 474 <hr/>



Transportation.....	\$300, 000
Newsprint shipping subsidy.....	926, 267
Grand total.....	24, 001, 783

RECONSTRUCTION FINANCE CORPORATION (AND SUBSIDIARY OR  
AFFILIATED ORGANIZATIONS)

The report of the Reconstruction Finance Corporation covers the activities of the Corporation itself and those of the following corporations: Metals Reserve Company, Defense Supplies Corporation, Defense Plant Corporation, Rubber Reserve Company, Rubber Development Corporation, United States Commercial Company.

For the last two corporations listed, the reports were submitted by the Reconstruction Finance Corporation in its capacity as fiscal agent.

Total expenditures made by the listed corporations for the fiscal years 1941, 1942, 1943, and for 8 months of the fiscal year 1944, totaled \$2,795,324,542.13, as follows:

Loans <sup>1</sup> .....	\$406, 518, 105. 59
Investments.....	4, 099, 362. 35
Construction of facilities.....	44, 662, 669. 71
Purchases.....	2, 174, 019, 517. 93
Current expenses.....	3, 810, 543. 06
Other aid or expenditures <sup>2</sup> .....	162, 214, 343. 49
Total.....	2, 795, 324, 542. 13

<sup>1</sup> Repayments on loans have been made in the amount of \$61,895,437.61, leaving the outstanding loan balance as \$344,622,667.98.

<sup>2</sup> Represents principally advance payments on contracts, and will ultimately be transferred to 1 or more of the other categories listed above.

From a geographical standpoint, the expenditures were made as follows:

British Empire.....	\$1, 054, 355, 021. 38
Latin America.....	1, 236, 921, 865. 88
France.....	30, 003, 736. 42
Netherlands.....	158, 315, 238. 50
Portugal.....	21, 593, 521. 45
Other countries.....	294, 135, 158. 50
Total.....	2, 795, 324, 542. 13

(A chart showing a break-down of the above expenditures is attached as exhibit VI.)

EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington was created in 1934 for the purpose of aiding in the financing and facilitating of exports and imports and the exchange of commodities between the United States and other countries. It is authorized to have \$700,000,000 of loans outstanding at any one time. The Congress increased the limit from \$200,000,000 to the present \$700,000,000 in September of 1940 to enable the bank to make loans to assist in the development of the resources, the stabilization of the economies and the orderly marketing of the products of the countries of the Western Hemisphere. Although its operations in behalf of our foreign trade have been world-wide, circumstances have restricted them since the war almost entirely to the Western Hemisphere and particularly to the making of such loans as will develop resources vital to the war effort.

A summary of the operations of the bank since its creation on February 12, 1934, through March 31, 1944, is as follows:

Commitments.....	\$1, 185, 763, 080. 10
Commitments canceled or expired.....	330, 879, 004. 09
Net commitments.....	854, 884, 076. 01
Commitments not yet disbursed.....	407, 253, 763. 80
Amount disbursed.....	447, 630, 312. 21
Amount repaid.....	233, 755, 432. 58
Amount of loans outstanding.....	213, 874, 879. 63

On a geographical basis the outstanding loans are as follows:

Latin America.....	\$105, 433, 890. 26
North America.....	12, 350, 000. 00
Africa.....	65, 000. 00
Asia.....	56, 877, 839. 24
Europe.....	27, 363, 445. 95
Other countries.....	11, 784, 704. 18
Total.....	213, 874, 879. 63

There is attached hereto, as exhibit VII, a statement showing the loans and commitments by countries, the details of which by individual loans are on file in the appropriations committee.

There is, of course, the possibility that some loans may not be collected in full. The history of the bank's operations, however, indicate that uncollectible items will be in an almost negligible amount as compared with its operations, and that it will consistently show a profit. The bank has experienced only three defaults since the beginning of its operations in 1934, as follows:

One related to a balance of \$3,491.96 due from a Polish textile firm which had purchased raw cotton from a United States exporter. Against this account a reserve has been set up.

A second, which was in the amount of \$46,530.46, resulted from the impossibility of converting Spanish pesetas into dollars during and immediately following the Civil War in Spain. That account was subsequently liquidated in full, both principal and interest.

The third account, in the amount of \$178,725.24, is overdue from a United States import firm now arranging a composition of creditors, but it is believed that collateral held by the bank is sufficient to effect eventually full repayment or at least a substantial liquidation.

Operations of the bank to March 31, 1944, have resulted in a profit of \$32,572,628.19 after the payment of all administrative expenses and the establishment of a reserve for contingencies. Out of such profit the bank has paid dividends on its preferred stock to June 30, 1943, in a total amount of \$13,075,178.04, leaving a net undivided profit in the bank of \$19,497,450.15.

#### WAR DEPARTMENT

Expenditures abroad as reported by the War Department as of October 31, 1943, total \$3,094,350,294, as follows:

Location	Construction of facilities	Purchases	Current expenses	Total
British Empire.....	\$593, 783, 367	\$695, 618, 980	\$609, 013, 094	\$1, 898, 415, 450
Latin America.....	141, 542, 706	29, 529, 641	16, 698, 502	187, 770, 849
Netherlands.....	12, 517, 000	5, 338, 000	16, 556, 681	34, 411, 681
French.....	3, 458, 964			3, 458, 964
Other countries.....	143, 804, 831	1, 605, 339	824, 883, 180	970, 293, 350
Total.....	895, 106, 868	732, 091, 969	1, 467, 151, 457	3, 094, 350, 294

These figures represent the best available information, and must be considered to be on the conservative side, as no attempt has been made by the War Department for the purpose of this first report to secure information from oversea theaters. The Department is frank in stating that, due to its far-flung activities and the need to eliminate reporting from overseas theater commanders as much as possible, there are gaps in the information on the records. Steps are constantly being taken, however, to improve the records and reports, and it is expected that as future reports are submitted additional information will be available. (A more detailed break-down of the above expenditures appears in the chart attached hereto, marked "Exhibit VIII".)

In addition to the expenditures reported above, there follows a statement of supplies distributed to civilians in liberated areas by the Allied Military Government. This statement is based on information available in this country and no break-down by recipient countries is available at this time. The statement is made as of December 22, 1943. The dollar values represent costs to the War Department delivered at a War Department depot, and do not include transportation to the port, loading costs, ocean shipping and other handling charges. The report does not include aid furnished by theater commanders from United States Army stocks, as data on such aid is not available in the continental United States. No determination has been made of the extent to which the recipient countries will reimburse the United States for supplies of this type furnished to them.

*Expenditures made for supplies and Allied Military Government distribution to civilians in liberated areas, Dec. 22, 1943<sup>1</sup>*

Item	Value of items contracted for	Values of deliveries made against contracts, plus value of items taken from Army stocks to fill requisitions
Food	\$11,944,722	\$14,913,425
Hard fuels (coal) <sup>2</sup>	1,045,312	1,045,312
Medical supplies	11,251,936	7,304,534
Miscellaneous	979,140	919,656
Petroleum products	(3)	(3)
Sanitary supplies	6,572,055	2,007,766
Total	31,793,165	26,190,693

<sup>1</sup> Dollar value shown reflects only those expenditures made for the specific purpose of civilian supplies. It is known, however, that certain materials have been transferred from Army stocks in the theater and used for civilian purposes. Although the theater commander has been instructed to report transfers of this nature, specific information is not available at this time.

<sup>2</sup> This coal was procured to supply Italy, Sardinia, and Sicily. However, the United Kingdom has been supplying the coal, and the coal procured in this country (except for about 20,000 tons withdrawn to meet an emergency caused by the strike and not yet replaced) has been held in reserve for emergencies. It should be noted further, that the coal now being supplied to Italy, Sicily, and Sardinia is used to supply both military and civilian needs. It is almost impossible to distinguish between these needs.

<sup>3</sup> Petroleum for civilian use is issued from military stocks in the theater, and no information is available at this time as to how much petroleum has been used for civilian purposes. However, originally, \$11,454,309 worth of petroleum products were estimated as a requirement for Italy, Sardinia, Sicily, and north Africa to last for a period of 12 months.



## NAVY DEPARTMENT

Expenditures abroad as reported by the Navy Department as of October 31, 1943, total \$565,570,999, as follows:

Location	Construction of facilities	Current expenses	Total
British Empire.....	\$253,309,600	\$84,615,120	\$337,924,720
Latin America.....	20,486,874	42,274,626	62,761,500
Netherlands.....	2,425,300	135,560	2,560,860
French.....	13,368,450	1,156,144	14,524,594
Other countries.....	2,518,640	8,361,109	10,879,749
Southwest Pacific.....	136,885,000	34,576	136,919,576
Total.....	423,993,864	136,577,135	565,570,999

(A more detailed break-down of these expenditures appears in the chart attached hereto, marked "Exhibit IX.")

These figures are very conservative, as will be seen from the following comments of the Navy Department:

## CONSTRUCTION OF FACILITIES

"(a) While some of the items of construction may be regarded as more or less permanent, that is so only where it was essential in order to fulfill its war purpose. The policy of making all facilities of the most temporary nature possible has been rigidly followed.

"(b) The attached list describes locations in only general terms and is not specific as to actual installations. This is primarily for reasons of military security, but also because of the shifting nature of the picture. For example, much of the base material shipped to Australia never arrived, due to loss en route or diversion. On the other hand, much of it was never intended to stay in Australia, but was sent there only en route elsewhere. No rigid conclusions should therefore be drawn concerning expenditures shown against any individual nation, as they may not be at all significant.

"(c) These figures are only approximate, as in many cases the actual expenditures are not definitely known. Not included and not obtainable are the amounts expended in theaters of war for local labor or local purchases of material unless expended by a disbursing officer stationed on shore (i. e., not in a ship or Marine Corps organization unit). The value of labor and subsistence of the naval construction battalions is also not included.

## PURCHASES AND CURRENT EXPENSES

(a) It is impossible to include expenditures by disbursing officers on board ship by country without examining every voucher. The vouchers run into the millions. The accounts are kept by ship, not by where the ship may have been. The same is true of the Coast Guard. It is also true of the Marine Corps, whose accounts are kept by organization, without reference to where the organization may be. The net effect of omitting these figures, while problematical, is probably small. Ships and organizations do spend some of their pay abroad; they do buy some supplies abroad; they do hire some civilians abroad. However, a large part of the military pay is sent home or spent on board or in canteens, etc., and most of the supplies are shipped out from the United States or furnished locally under reciprocal aid.

(b) Navy disbursing officers are required to report quarterly and are allowed 20 days after the close of the quarter to prepare and mail their returns. Under these conditions, with disbursing officers all over the world, and with communications hampered by a global war, the record is never reasonably complete under 6 months and may be not wholly complete after 1 year. For that reason, in the following table, all figures for the fiscal year 1944 are estimates only, and those for the fiscal year 1943 may be amended. Scattered reports for different quarters are arriving constantly at the Navy Department, and a monthly compilation would show some change in the figures each month. It is clear, however, that substantial changes will be indicated only quarterly or less frequently.

## SUMMARY

There is submitted as exhibit X a consolidated summary of lend-lease aid from March 11, 1941, through March 31, 1944, and Government expenditures abroad for the fiscal years 1941, 1942, 1943, and for that portion of the fiscal year 1944 for which the different agencies had figures available, ranging from 4 to 8 months. It shows a total figure of \$30,362,687,362, distributed as follows:

Lend-lease aid.....	\$21, 794, 237, 819
Loans.....	854, 423, 225
Grants.....	31, 985
Investments.....	4, 099, 362
Construction of facilities.....	1, 465, 842, 209
Purchases.....	4, 172, 856, 091
Current expenses.....	1, 638, 872, 748
Other aid.....	432, 323, 923
Total.....	30, 362, 687, 362

Geographically, the distribution is:

British Empire.....	\$19, 700, 297, 674
Russia.....	4, 214, 921, 449
Latin America.....	2, 327, 378, 789
China.....	920, 349, 451
Other countries and general.....	3, 199, 739, 999
Total.....	30, 362, 687, 362

## RECOMMENDATIONS

The statement, particularly as regards expenditures abroad, is not complete, and the amounts are no doubt understated, but it is the best that could be prepared from available information. It demonstrates the need for a central agency to coordinate all efforts to secure definite and reliable information of this nature for the Congress, and shows that to secure such information will require considerable time and labor.

The President has answered the question of the central agency by directing, in accordance with the recommendation of the interdepartmental committee, that a clearinghouse be established in the Foreign Economic Administration. Not only is this action endorsed but it is strongly recommended that it begin to function without delay, so that at the earliest possible date complete and detailed reports may be made to the Appropriations Committee and to the Senate on a quarterly basis.

It is further recommended that the Appropriations Committee agree to the request of the Administrator of the Foreign Economic Administration that a representative of the investigative staff of the Appropriations Committee serve on the advisory interdepartmental committee which will assist the director of the clearinghouse. In this way, not only will the desires of the Appropriations Committee be kept currently before the advisory committee and the director of the clearinghouse but also the committee will be kept currently informed as to the progress being made by the clearinghouse.

Finally, the reports submitted fully justify the findings of the interdepartmental committee, and their recommendations are specifically endorsed and passed on for the earnest consideration of the advisory

interdepartmental committee to assist the director of the clearing-house. These recommendations are—

## LEND-LEASE AND REVERSE LEND-LEASE

1. That the agencies devise means of reducing to a minimum the time lag which now exists between the actual transfer of goods and services and the recording and reporting of such transactions.

2. That in the future all transfers be recorded not only to the account of the government which originally receipted for the materials or services but also, so far as possible, to the account of the government which is the ultimate recipient; and that the lend-lease governments be requested to render a cumulative statement of all retransfers made to date with provision for periodic statements in the future.

3. That the Foreign Economic Administration, with the advice and approval of the agencies concerned, develop greater uniformity in the statistical reporting of all lend-lease transactions, involving—

(a) A standardized classification system for use in the operating agencies to account for all commodities and all types of transactions; and

(b) A revision in the procedures for reporting statistics to bring about a uniform presentation of all data in terms of dollars as well as units.

4. That, in recording lend-lease transactions, procuring agencies should take the following steps, under general principles approved by the Foreign Economic Administration:

(a) The establishment wherever possible of standard prices for articles to be transferred; and

(b) For items of a nature not susceptible of standard pricing, establishment of a standard formula to arrive at prices which will include all elements of cost.

5. That no attempt be made at this time to reprice past transactions, as the effort involved would not justify the results to be obtained.

6. That the present system of reporting losses be extended to include items under United States accountability, intended for transfer on arrival overseas, which are lost at sea; and that efforts be made to improve reports of losses incurred in transit within the United States.

7. That the present inventory reports submitted by procuring agencies to the Foreign Economic Administration be put on a uniform basis; that the inventory records be extended, either by the procuring agencies or War Shipping Administration, to give complete reports of inventory in transit, in terms of dollars as well as weight; and that uniform inventories of lend-lease goods held by United States agencies overseas be required on a periodic basis.

8. That so far as possible uniform reporting principles be developed by United States agencies in the major areas in which reverse lend-lease is received, in order that reports when submitted may be more comparable and consistent, and uniformity of reporting forms and classification and valuation principles may be achieved.

9. That the Foreign Economic Administration, with advice and approval of the agencies concerned, devise a standardized formula for use by the operating agencies in assessing and recording repossession charges; and that repossession accounts be revised to include all expenses incurred by the United States in cases where the foreign government is responsible for cancellation of contract.

10. That the present system of recording, reporting, and billing reimbursable lend-lease transactions be revised by the Foreign Economic Administration to provide for a uniform method of recording and reporting and uniform principles for billing foreign governments; and that for billing purposes, procuring agencies whose records are now unsatisfactory be required to submit revised cumulative statements of reimbursable lend-lease transactions.

11. That provision be made to obtain from foreign governments current records showing location and use of certain durable goods received from the United States, and that on cessation of hostilities an inventory record be rendered of all consumable and semiconsumable items on hand received from the United States. (See also recommendation 17.)

12. That no attempt be made to evaluate defense information transmitted to or by foreign governments, but that a strict accounting be maintained of information involving patent rights.



## MILITARY BASES AND MILITARY INSTALLATIONS ABROAD

13. Although the present records do not give complete data concerning expenditures made for the construction or equipment of bases, the committee recommended:

That no major changes pertaining to financial recording and reporting of installations abroad be required of the War and Navy Departments during the war, because a revision that would yield the information desired would require too great an additional accounting burden for military personnel, both in the field and in Washington.

14. That the War and Navy Departments establish statistical and appraisal inventories of installations abroad similar to those already initiated by the Foreign Projects Unit of the Army Air Forces.

## INVESTMENT IN PRODUCTIVE FACILITIES RELATED TO THE PROCUREMENT OF FOOD AND MATERIALS ABROAD

15. That where master accounts are maintained in Washington with the supporting detail in field offices, regular periodic accountings and reconciliations from the field be required.

## INVESTMENT IN OTHER INSTALLATIONS OR PRODUCTIVE FACILITIES ABROAD

16. That there be established a list of items to be regarded as durable goods.

17. That an inventory of certain durable goods transferred to foreign countries be compiled from the records now available in all agencies. (For transfer of items under lend-lease arrangements, see recommendation 11.)

## PROCUREMENT OF FOOD AND MATERIALS ABROAD

18. That the procuring agencies be required to install and maintain records which will make readily available commodity purchase data in commodity units and dollar value by time period, by commodity, and by country of commodity origin.

## LOANS AND FINANCIAL AID TO FOREIGN GOVERNMENTS AND PRIVATE ENTITIES IN FOREIGN COUNTRIES

The committee found the present records on loans to foreign governments and private entities, and the statements of financial aid rendered to foreign governments, to be adequate and no changes were recommended.

## CASH EXPENDITURES ABROAD

It was the consensus of the committee that economic information concerning governmental cash expenditures abroad was of sufficient current and future importance to require the preparation of separate periodic reports. The committee therefore recommended:

19. That arrangements be made to have each department, establishment, or agency of the Federal Government, including Government corporations, which makes cash expenditures abroad prepare quarterly reports of all such expenditures for submittal to a central agency.

20. That the proposed reports segregate expenditures under predetermined classifications for each country by character and purpose, and by a limited object classification.

Respectfully submitted.

JOHN F. FEENEY,  
HAROLD E. MERRICK,  
THOMAS J. SCOTT,  
EARL W. COOPER,  
*Investigative Staff.*

## EXHIBITS

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### EXHIBIT I

APRIL 7, 1944

HON. LEO T. CROWLEY,  
*Administrator, Foreign Economic Administration.*

MY DEAR MR. CROWLEY: In line with recommendations of the Interdepartmental Committee to Study Recording and Reporting of Lend-Lease Transactions and Government Expenditures Abroad, it is essential that we proceed promptly to the establishment of a "clearing house" for such reporting.

I want you to establish, in collaboration with the other agencies involved, such a clearing house in the Foreign Economic Administration under a director appointed by you. It would seem advisable to establish an advisory interdepartmental committee to assist the director, which committee might among others include representatives of the Department of State, Department of the Treasury, War Department, Department of the Navy, Department of Commerce, the Bureau of the Budget and the Office of the Coordinator of Inter-American Affairs.

The functions of the clearing house would include the following:

(1) To develop, in cooperation with the other agencies concerned, such forms and procedures as will assure the necessary information on our transactions relative to foreign areas.

(2) Where more than one agency is involved, to collaborate with the agencies of whom information is requested in furnishing such information within, of course, the limits of security requirements.

Information to be covered by this arrangement should include, particularly, transactions on account of international aid, relief in liberated areas, procurement abroad, loans and financial aid, and all other Government outlays and expenditures abroad and receipts from abroad, and also inventory information concerning military and non-military installations, improvements, and stock piles abroad.

The clearing house should serve as a medium for interagency collaboration. Its establishment does not involve any transfer of the responsibilities of other agencies to the Foreign Economic Administration. It does not, for example, modify agency powers and duties under the Federal Reports Act or Executive Order 8512 as amended. The facilities established by Executive Order 8512 should be utilized whenever appropriate in collecting information on cash disbursements, receipts and other related financial transactions abroad.

I am convinced that this arrangement can be of great value in the development of the comprehensive and consistent reports on foreign transactions so essential to the planning and operations of our Government in the future.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

## EXHIBIT II

FOREIGN ECONOMIC ADMINISTRATION,  
OFFICE OF THE ADMINISTRATOR,  
*Washington 25, D. C., April 15, 1944.*

HON. KENNETH MCKELLAR,  
*Acting Chairman, Senate Appropriations Committee,*  
*Washington, D. C.*

DEAR SENATOR MCKELLAR: The President has directed me to establish, in collaboration with the other agencies involved, a clearinghouse, under a director appointed by me, in the Foreign Economic Administration for reporting lend-lease transactions and Government expenditures abroad, following the recommendations of the Interdepartmental Committee to Study Recording and Reporting of Lend-Lease Transactions and Government Expenditures Abroad. I am attaching a copy of the President's letter to me, which states the functions of this clearinghouse.

You will note that the President deems it advisable to establish an advisory interdepartmental committee to assist the director, which committee will include, among others, representatives of the Department of State, Department of the Treasury, War Department, Department of the Navy, Department of Commerce, the Bureau of the Budget, and the Office of the Coordinator of Inter-American Affairs. I am particularly anxious that this committee include a representative of the investigative staff of the Senate Appropriations Committee. I will look to you to nominate such a representative. Such an arrangement should prove mutually helpful to your committee and to the Foreign Economic Administration and the other agencies involved, in that it would make possible common understanding of the problems involved and lead toward a unified approach to this most fundamental part of our international affairs.

I hope to appoint a director of this clearinghouse within the next few days, and will advise you immediately, in order that he may have informal discussions with members of your investigative staff prior to the calling of a formal meeting of the interdepartmental committee. I trust that such procedure will meet with your approval, as it would insure the work of the clearinghouse getting started on a cooperative basis with your committee.

With warm personal regards, I am  
Sincerely,

LEO T. CROWLEY,  
*Administrator.*

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### EXHIBIT III

*Foreign Economic Administration—Analysis of appropriations, allocations, and disbursements under the Lend-Lease Act as of Feb. 29, 1944*

Appropriation title and department	Amount of appropriation	Allocations		Unallocated appropriations	Obligations		Unobligated allocations	Disbursements		Unliquidated obligated
		This month	To date		This month	To date		This month	To date	
<b>I. DEFENSE AND SUPPLEMENTAL APPROPRIATION ACTS</b>										
Ordnance and ordnance stores	\$1,692,305,956.42									
War Department										
Navy Department			\$1,016,404,230.76	\$13,135,063.00	\$922,594,934.03	\$93,809,296.73	\$6,203,498.58	\$921,602,551.64		\$892,382.39
Treasury Department			557,514,112.37	2,945,859.82	544,067,634.52	13,446,477.85	127,885,457.78	363,890,240.84		180,177,393.68
			47,420.08		47,417.41			47,417.41		
<b>Total</b>	<b>1,692,305,956.42</b>		<b>1,573,965,763.21</b>	<b>\$118,340,193.21</b>	<b>\$10,189,203.18</b>	<b>1,466,709,985.96</b>	<b>\$121,681,969.20</b>	<b>1,285,540,209.89</b>		<b>181,169,776.07</b>
Aircraft and aeronautical material										
War Department	2,629,624,933.84									
Navy Department			2,225,383,623.29	14,049,842.94	2,190,837,093.46	34,546,529.83	9,334,163.30	1,866,721,451.19		324,115,642.27
Treasury Department			309,907,959.55	1,339,684.44	276,042,069.48	33,865,890.07	1,365,459.01	188,539,505.83		87,592,564.15
Department of Commerce (Loan Agencies—Reconstruction Finance Corporation)			5,242,486.76		5,187,505.22	54,960.54		5,183,130.80		4,374.42
			500,000.00		500,000.00			500,000.00		
<b>Total</b>	<b>2,629,624,933.84</b>		<b>2,541,034,068.60</b>	<b>\$88,590,865.24</b>	<b>15,389,527.38</b>	<b>2,472,566,668.16</b>	<b>10,699,622.31</b>	<b>2,060,944,087.32</b>		<b>411,622,580.81</b>

*Foreign Economic Administration—Analysis of appropriations, allocations, obligations, and disbursements under the Lend-Lease Act as of Feb. 29, 1944—Continued*

Appropriation title and department	Amount of appropriation	Allocations		Unallocated appropriations	Obligations		Unobligated allocations	Disbursements		Unliquidated obligations
		This month	To date		This month	To date		This month	To date	
L. DEFENSE AID SUPPLEMENTAL APPROPRIATION ACTS—continued.										
Tanks and other vehicles	739,272,940.26									
War Department			639,059,634.12		7,430,561.15	623,200,588.07	15,859,046.05	2,996,101.93	606,722,158.31	16,478,429.76
Navy Department			11,659.90			11,261.25	398.65		11,261.25	
Treasury Department		\$100,000.00	31,899,800.59		500,266.24	15,802,065.63	16,097,734.96	519,839.06	10,159,188.44	5,642,877.19
Total	739,272,940.26	100,000.00	670,971,094.61	68,301,845.65	7,930,827.39	639,013,914.95	31,957,179.66	3,515,940.99	616,892,608.00	22,121,306.95
Vessels and other										
watercraft										
Navy Department	3,871,703,433.00									
Maritime Commission			813,803,274.35		8,777,717.00	753,110,393.56	60,692,880.79	9,308,381.75	555,911,479.92	194,198,913.64
War Shipping Administration			630,599,174.46		4,727,847.70	492,635,313.61	137,963,860.85	8,863,178.28	491,794,653.73	840,659.88
Treasury Department		500,000.00	1,533,527,025.54		200,767,030.62	1,203,914,353.02	239,612,672.52	35,894,962.18	330,348,274.19	963,566,078.83
Department of Commerce			1,618,575.46		1,598.39	1,285,616.38	332,959.08	31,630.21	1,153,618.67	131,997.71
Loan Agencies—Reconstruction Finance Corporation										
Total	3,871,703,433.00	500,000.00	2,961,349,049.81	890,354,383.19	214,274,193.71	2,542,746,676.57	438,602,373.24	54,098,152.42	1,384,009,026.51	1,158,737,650.06
Miscellaneous military equipment										
War Department	354,288,140.58									
Navy Department			296,107,242.00		115,437,961.36	287,116,067.66	28,991,174.34	794,700.54	240,993,960.18	26,122,107.48
Total			23,353,100.60		1145,053.71	8,103,920.00	15,249,180.00	706,354.20	5,498,387.17	2,605,532.83

Treasury Department			3, 578, 836.01			3, 401, 861.00	176, 975.01		3, 401, 861.00
Executive Office of the President			250, 000.00		2, 450.00	245, 164.12	4, 835.88		86, 883.01
Total			323, 289, 178.61	30, 998, 961.97	115, 580, 565.07	278, 867, 012.78	44, 422, 165.83	1, 561, 054.74	28, 885, 921.42
Facilities and equipment									
War Department	1, 154, 688, 106.72								
Navy Department			792, 849, 020.75		13, 592, 232.28	703, 930, 789.53	28, 918, 231.22	13, 811, 540.27	733, 902, 267.32
Maritime Commission			111, 677, 166.00		70, 143.98	106, 740, 436.14	4, 936, 729.86	222, 988.15	72, 538, 886.93
Treasury Department			71, 000, 000.00		1, 127, 472.04	68, 107, 993.44	2, 892, 006.56	1, 1, 580.99	65, 870, 472.73
Department of Agriculture		15, 000, 000.00	126, 257, 574.80		2, 096, 769.09	111, 686, 527.53	14, 571, 047.27	3, 449, 547.05	99, 958, 497.60
			5, 165, 000.00		368, 548.99	4, 676, 489.66	488, 510.34	260, 354.12	3, 469, 011.63
Total	1, 154, 688, 106.72	15, 000, 000.00	1, 106, 948, 761.55	47, 739, 345.17	1, 175, 242.26	1, 055, 142, 236.30	51, 806, 525.25	17, 742, 848.00	79, 293, 100.09
Agricultural, industrial, and other commodities									
War Department	12, 608, 928, 589.18								
Navy Department			157, 762, 306.13		1, 15, 058.96	150, 801, 636.38	6, 900, 669.75	583, 850.31	142, 837, 390.17
Maritime Commission		11, 900.00	1, 514, 789, 604.20		20, 165, 935.36	849, 355, 799.63	665, 433, 804.57	10, 798, 620.96	774, 922, 594.30
War Shipping Administration			20, 973, 858.24			20, 973, 858.24			20, 973, 858.24
Treasury Department		8, 510, 000.00	103, 718, 664.76		1, 946, 057.04	97, 249, 550.82	6, 469, 113.94	31, 778.33	26, 951, 507.74
Department of the Secretary of Agriculture		10, 666, 666.00	58, 825, 867.94		66, 794, 418.48	3, 113, 716, 057.94	1, 251, 963, 688.06	84, 748, 872.41	2, 381, 130, 321.87
		270, 000, 000.00	6, 014, 419, 830.00		370, 825, 282.03	5, 107, 336, 483.37	907, 083, 346.63	181, 573, 211.41	3, 898, 748, 841.60
Total	12, 608, 928, 589.18	289, 188, 566.00	12, 236, 169, 877.27	372, 758, 711.91	469, 883, 104.05	9, 395, 718, 329.74	2, 840, 451, 547.53	290, 794, 917.60	7, 301, 849, 457.28

Credit.



*Foreign Economic Administration—Analysis of appropriations, allocations, obligations, and disbursements under the Lend-Lease Act as of Feb. 29, 1944—Continued*

Appropriation title and department	Amount of appropriation	Allocations		Unallocated appropriations	Obligations		Unobligated allocations	Disbursements		Unliquidated obligated
		This month	To date		This month	To date		This month	To date	
1. DEFENSE AID SUPPLEMENTAL APPROPRIATION ACTS—continued.										
Testing, reconditioning, etc., of defense articles—War Department	\$790,817,900.00				1,538,063.28	\$17,575,547.94	\$690,444.62	\$29,704.32	\$14,290,308.57	\$3,288,239.37
Navy Department			\$18,268,992.56							
Navy Department			118,001,061.00		154,539.88	104,583,335.58	13,417,725.42	122,431.56	94,284,704.73	10,298,630.85
Maritime Commission			88,722,520.94		15,876,456.32	67,953,220.99	20,769,299.95	236,129.21	45,296,444.71	22,656,776.28
War Shipping Administration		\$5,000,000.00	453,430,979.06		14,077,849.13	353,205,897.73	100,225,081.33	9,225,598.56	197,343,379.17	155,862,518.56
Total	790,817,900.00	5,000,000.00	678,423,553.56	\$112,394,346.44	7,608,789.65	543,321,002.24	135,102,551.32	9,613,863.65	351,214,837.18	192,100,165.06
Services and expenses—										
War Department	800,000,000.00									
Navy Department		480,000.00	273,429,316.52		14,770,721.11	223,056,319.16	50,372,997.36	1,359,784.42	191,972,668.62	31,083,650.54
Maritime Commission			28,907,200.00		1,218,026.27	21,458,103.43	7,449,096.57	15,716.76	20,390,373.89	1,067,729.54
War Shipping Administration			255,563.62			255,563.62			255,563.62	
Treasury Department			15,050,000.00		2,872.91	6,713,057.80	8,336,942.20	29,995.18	6,198,298.31	514,759.49
Department of Agriculture			37,428,256.70		1,757,858.05	32,754,422.63	4,673,834.07	1,937,292.47	28,460,410.48	4,294,012.15
Department of State	6,050,000.00		56,210,300.00		2,851,081.87	20,556,560.77	35,653,739.23	1,125,915.61	5,808,002.51	14,748,558.26
Federal Security Agency			415,000.00		216.30	399,836.41	15,163.69	143.12	399,763.23	73.18
			290,000.00		43,881.39	228,722.97	61,277.03		151,673.17	77,049.80

Federal Works Agency (Public Roads Administration)	500,000.00	1,783.83	381,385.78	118,614.22	20,764.73	229,282.42	152,093.36
Department of Commerce (Export-Import Bank of Washington)	6,000,000.00		6,000,000.00		370,329.38	5,580,744.58	409,255.42
Executive Office of the President	5,963,000.00	310,434.62	4,006,606.11	1,956,393.89	103,979.51	1,180,444.67	2,826,161.44
Department of the Interior	5,000.00	757.40	3,359.66	1,640.34	988.40	2,848.11	511.55
Total	800,000,000.00	119,860.91	315,813,938.34	108,639,698.50	4,943,476.06	260,640,083.61	55,173,854.73
Administrative expenses	28,999,000.00						
War Department	1,654,737.33		1,654,737.38		33.17	1,065,951.30	45,786.08
Navy Department	875,000.00	11,161.71	867,758.68	7,241.32	11,161.71	866,883.76	874.92
Maritime Commission	1,077,548.00	14,707.33	944,376.39	133,171.61	20,357.83	899,615.31	44,761.08
War Shipping Administration	1,581,511.00	64,191.40	1,156,036.02	425,474.98	53,363.39	700,024.49	456,011.53
Treasury Department	5,710,224.00	93,636.65	5,520,561.31	189,662.69	92,826.88	5,474,062.92	46,498.39
Department of Agriculture	8,671,488.00	226,843.48	8,686,290.43	114,802.43	240,826.15	8,430,167.13	256,123.30
Department of Commerce (Census)	412,000.00	19,074.11	382,100.78	29,899.22	21,703.61	366,687.71	15,433.07
General Accounting Office	127,000.00	114.13	2,547,828.82	171.18	261.08	2,529,755.01	18,073.81
Executive Office of the President	4,489,455.10	325,868.19	4,266,330.68	223,154.42	314,770.51	4,154,487.54	111,843.14

1 Credit.

*Foreign Economic Administration—Analysis of appropriations, allocations, obligations, and disbursements under the Lend-Lease Act  
as of Feb. 29, 1944—Continued*

Appropriation title and department	Amount of appropriation	Allocations		Unallocated appropriations	Obligations		Unobligated allocations	Disbursements		Unliquidated obligated
		This month	To date		This month	To date		This month	To date	
I. DEFENSE AID SUPPLEMENTAL APPROPRIATION ACTS—CON.										
Administrative expenses—Con. Department of Labor			\$1,500.00			\$1,500.00			\$1,500.00	
Total	\$28,999,000.00	1,927,000.00	27,021,493.48	\$1,977,506.52	\$742,945.32	26,027,520.49	\$993,972.99	\$741,982.91	25,032,115.17	\$995,405.32
Total defense and supplemental appropriations—Transfers as reimbursement to prior appropriations.	24,670,629,000.00	316,291,566.00	22,563,626,477.54	2,107,002,522.46	608,085,461.32	18,735,927,285.53	3,827,090,192.01	372,029,800.08	14,511,952,652.53	4,223,974,633.00
13,000,000.00			13,000,000.00			13,000,000.00			13,000,000.00	
Total	24,683,629,000.00	316,291,566.00	22,576,626,477.54	2,107,002,522.46	608,085,461.32	18,748,927,285.53	3,827,090,192.01	372,029,800.08	14,524,952,652.53	4,223,974,633.00
Recapitulation by departments:										
War Department		480,000.00	5,420,919,103.51		134,108,381.78	5,160,770,713.61	260,148,389.00	35,113,376.84	4,720,741,707.30	440,029,006.31
Navy Department		11,900.00	3,478,840,137.97		30,210,190.15	2,664,340,712.27	814,499,425.70	15,308,110.62	2,079,874,318.12	584,466,394.15
Maritime Commission			812,628,665.26		11,261,373.33	650,870,326.29	161,758,383.97	9,118,084.33	625,000,608.34	25,779,717.95
War Shipping Administration		5,500,000.00	2,107,308,180.36				355,069,284.97	45,235,697.64	561,541,483.90	1,190,697,411.49
Treasury Department		23,610,000.00	4,577,462,919.40		71,214,546.90	3,289,402,035.05	1,288,060,581.35	90,779,510.08	2,534,968,509.19	754,433,525.86





*Foreign Economic Administration—Analysis of appropriations, allocations, obligations, and disbursements under the Lend-Lease Act as of Feb. 29, 1944—Continued*

Appropriation title 1 and department	Amount of appropriation	Allocations		Unallocated appropriations	Obligations		Unobligated allocations		Disbursements		Unliquidated obligated
		This month	To date		This month	To date			This month	To date	
II. SPECIAL FUNDS DEPOSITED BY FOREIGN GOV- ERNMENTS											
War Department.....	\$14,116,013.58			\$5,666,418.91	1 \$124,562.52	\$6,123,749.40	\$2,325,845.27	\$2,541.85	\$1,523,124.93	\$4,600,624.47	
Navy Department.....	7,795,088.14			1,600,625.00	1 946,613.56	6,425,029.61	1 230,566.47	355,001.81	3,422,528.58	3,002,501.03	
Treasury Department.....		\$50,150.00									
Office of Scientific Research and De- velopment.....	17,603,471.51	496,260.22	17,491,958.63	111,512.88	1,555,154.73	23,323,477.13	1 5,831,518.50	143,499.44	15,190,335.61	8,133,141.52	
War Shipping Ad- ministration.....	3,952.85		3,952.85			3,952.85			3,952.85		
	211,192.48	3,415.00	211,192.48		1,916.75	44,349.84	166,842.64	28,921.99	44,349.84		
Total.....	38,729,718.56	549,825.22	32,351,161.77	7,378,556.79	2,379,122.82	35,920,558.83	1 3,569,397.06	529,965.09	20,184,261.81	15,736,267.02	
III. GRAND TOTAL ALL APPROPRIA- TIONS UNDER LEND-LEASE ACT .....	24,723,358,718.56	316,841,391.22	22,608,977,630.31	2,114,381,079.25	670,464,584.14	18,784,847,844.36	3,824,129,794.95	372,559,855.17	14,545,136,944.34	4,289,710,900.02	

1 Credit.

## EXHIBIT IV

## Recapitulation of lend-lease aid to Jan. 31, 1944

Country	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment
British Empire.....	\$1,885,910,000	\$2,805,471,000	\$2,133,841,000	\$2,869,529,000	\$566,070,000
Russia (Union of Soviet Socialist Republics).....	579,061,000	843,908,000	841,488,000	361,800,000	247,266,000
China.....	37,814,000	90,282,000	26,573,000	16,390,000	7,990,000
Total, 3 largest.....	2,502,785,000	3,739,661,000	3,001,902,000	3,247,719,000	821,326,000
South American Republics.....	20,193,335	52,924,630	34,748,138	13,470,976	4,846,430
Mexico and Central America.....	3,246,337	10,504,338	2,618,494	243,057	341,467
Caribbean area.....	354,745	1,869,389	764,183	220,442	448,204
Other countries.....	19,862,684	49,514,623	7,822,004	84,405,465	7,958,042
Total, all countries.....	2,546,442,101	3,854,473,980	3,047,854,819	3,346,058,940	834,920,143
Production facilities in United States, from lend-lease funds.....					
Storage and distribution services and facilities in United States, from lend-lease funds.....					
Transportation charges, supplies and materials for vessels, ferrying of aircraft expenses, miscellaneous and contingent expenses.....					
Administrative expenses.....					
Grand total aid.....					

Country	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconditioning, etc., defense articles	Services and expenses
British Empire.....	\$304,460,000	\$4,367,919,000	\$414,642,025	\$291,130,459
Russia (Union of Soviet Socialist Republics).....	227,732,000	981,513,000	68,609,000	10,045,010
China.....	1,291,000	20,875,000	9,000	1,529,000
Total, 3 largest.....	533,483,000	5,370,307,000	483,260,025	302,704,469
South American Republics.....	6,256,949	2,036,822	252,123	2,215,491
Mexico and Central America.....	32,852	16,885	429,232	7,546
Caribbean area.....	1,836	99,321	389,195	5,487
Other countries.....	369,474	37,658,384	26,705,206	16,158,687
Total, all countries.....	540,144,111	5,410,118,412	511,035,784	321,091,680
Production facilities in United States, from lend-lease funds.....				
Storage and distribution services and facilities in United States, from lend-lease funds.....				
Transportation charges, supplies and materials for vessels, ferrying of aircraft expenses, miscellaneous and contingent expenses.....				
Administrative expenses.....				
Grand total aid.....				



*Recapitulation of lend-lease aid to Jan. 31, 1944—Continued*

Country	Administration and expenses	Total	Consigned to commanding generals for subsequent transfer	Grand total
British Empire.....	(1)	\$15,638,972,487	\$1,506,763	\$15,640,479,250
Russia (Union of Soviet Socialist Republics).....	(1)	4,161,422,010		4,161,422,010
China.....	(1)	202,753,000	215,543,436	418,296,436
Total, 3 largest.....	(1)	20,003,147,497	217,050,199	20,220,197,696
South American Republics.....	(1)	136,944,894	12	136,944,906
Mexico and Central America.....	(1)	17,440,208		17,440,208
Caribbean area.....	(1)	4,152,802		4,152,802
Other countries.....	(1)	250,454,569	332,437,053	582,891,622
Total, all countries.....	(1)	20,412,139,970	549,487,264	20,961,627,234
Production facilities in United States, from lend-lease funds.....		604,993,000		604,993,000
Storage and distribution services and facilities in United States, from lend-lease funds.....		94,584,566		94,584,566
Transportation charges, supplies and materials for vessels, ferrying of aircraft expenses, miscellaneous and contingent expenses.....		99,813,019		99,813,019
Administrative expenses.....		33,220,000		33,220,000
Grand total aid.....		21,244,750,555	549,487,264	21,794,237,819

<sup>1</sup> Not broken down by countries.

Reported from Foreign Economic Administration.

## EXHIBIT V

*Coordinator of Inter-American Affairs—statement of expenditures in foreign countries, fiscal years 1942, 1943, and 1944 (through Dec. 31)*

Country group	Loans	Grants	Current expenses			Other aid	Total
			Health and sanitation	Food supply	Technical assistance, etc.		
South American countries.....	\$261,296	\$17,485	\$7,196,364	\$2,205,742	\$4,920,932	\$495,250	\$15,097,069
Mexico and Central America.....	102,522	14,500	2,017,256		1,795,473	2,589,038	6,518,789
Caribbean area.....					262,032	319,450	581,482
Miscellaneous <sup>1</sup> .....					1,412,519	428,384	1,840,903
Total.....	363,818	31,985	9,213,620	2,205,742	8,390,956	3,832,122	24,038,243

<sup>1</sup> Not broken down by countries.

## EXHIBIT VI

*Reconstruction Finance Corporation and subsidiary or affiliated organizations—  
Summary of expenditures, loans, investments, etc., made to or in foreign countries  
fiscal years 1941, 1942, 1943, and 1944 (through February)*

Country groups	Loans			Investments	Construction of facilities
	Total of loans	Total of principal repayments	Outstanding loan balances		
British Empire.....	\$395,438,414.21	\$61,833,889.49	\$333,604,524.72	-----	\$598,940.83
Russia.....	-----	-----	-----	-----	-----
China.....	-----	-----	-----	-----	-----
Latin America.....	460,943.38	61,548.12	399,395.26	\$4,099,362.35	41,245,174.70
Other countries.....	10,618,748.00	-----	10,618,748.00	-----	2,818,554.18
Total.....	406,518,105.59	<sup>1</sup> 61,895,437.61	<sup>1</sup> 344,622,667.98	4,099,362.35	44,662,669.71

<sup>1</sup> Amounts excluded in country group totals.

Country groups	Purchases	Current expenses	Other aid of expenditures	Total
British Empire.....	\$624,865,201.43	\$82,785.72	\$33,369,679.19	\$1,054,355,021.38
Russia.....	14,974,889.14	-----	38,200,533.71	53,175,422.85
China.....	40,870,982.21	1.54	6,988,399.99	47,859,383.74
Latin America.....	1,105,808,969.49	3,213,386.82	82,094,029.14	1,236,921,865.88
Other countries.....	387,499,475.66	514,368.98	1,561,701.46	403,012,848.28
Total.....	2,174,019,517.93	3,810,543.06	162,214,343.49	2,795,324,542.13

## EXHIBIT VII

*Export-Import Bank of Washington—Summary of loans and commitments, Feb. 12, 1934, through Mar. 31, 1944*

Country groups	Commitments	Cancellations and expirations	Net commitments	Commitments not yet disbursed
Latin America.....	\$753,590,258.20	\$219,946,895.88	\$533,643,362.32	\$324,160,583.60
North America.....	59,265,000.00	-----	59,265,000.00	21,850,000.00
Africa.....	300,000.00	-----	300,000.00	235,000.00
Asia.....	181,773,329.99	46,894,370.61	134,878,959.38	18,974,257.62
Australia.....	1,400,000.00	1,400,000.00	-----	-----
Europe.....	141,263,754.23	58,848,219.42	82,415,534.81	18,591,192.42
Various countries <sup>1</sup> .....	48,170,737.68	3,789,518.18	44,381,219.50	23,442,730.16
Grand total.....	1,185,763,080.10	330,879,004.09	854,888,076.01	407,253,763.80

Country groups	Amount disbursed	Amount repaid	Outstanding loans
Latin America.....	\$209,482,778.72	\$104,048,888.46	\$105,433,890.26
North America.....	37,415,000.00	25,065,000.00	12,350,000.00
Africa.....	65,000.00	-----	65,000.00
Asia.....	115,904,701.76	59,026,862.52	56,877,839.24
Australia.....	-----	-----	-----
Europe.....	63,824,342.39	36,460,896.44	27,363,445.95
Various countries <sup>1</sup> .....	20,938,489.34	9,153,785.16	11,784,704.18
Grand total.....	447,630,312.21	233,755,432.58	213,874,879.63

<sup>1</sup> Covers loans, principally to International Telephone & Telegraph Corporation, not broken down by countries.

## EXHIBIT VIII

*War Department—Summary of expenditures in foreign countries, fiscal years 1941, 1942, 1943, and 1944 (through Oct. 31)*

Country groups	Construction facilities	Purchases	Current expenses	Total
British Empire.....	\$593,783,367	\$695,618,989	\$609,013,094	\$1,898,415,450
Latin America.....	141,542,706	29,529,641	16,698,502	187,770,849
Netherlands.....	12,517,000	5,338,000	16,556,681	34,411,681
French.....	3,458,964			3,458,964
Other countries.....	130,215,514	1,605,339	124,737,871	256,558,724
Theaters of war.....	13,589,317		700,145,309	713,734,626
Total.....	895,106,868	732,091,969	1,467,151,457	3,094,350,294

## EXHIBIT IX

*Navy Department—Summary of expenditures in foreign countries, fiscal years 1941, 1942, 1943, and 1944 (through Oct. 31)*

Country groups	Construction facilities	Current expenses <sup>1</sup>	Total
British Empire.....	\$253,309,600	\$84,615,120	\$337,924,720
Latin America.....	20,486,874	42,274,626	62,761,500
Netherlands.....	2,425,300	135,560	2,560,860
French.....	13,368,450	1,156,144	14,524,594
Other countries.....	2,518,640	8,361,109	10,879,749
Southwest Pacific.....	136,885,000	34,576	136,919,576
Total.....	428,993,864	136,577,135	565,570,999

<sup>1</sup> Includes purchases, not separated in records.

## EXHIBIT X

*Consolidated summary statement by country groups of lend-lease aid (Mar. 11, 1941; through Jan. 31, 1944) and Government expenditures abroad*

[Fiscal years 1941, 1942, 1943, and 1944 as reflected in reports submitted to Apr. 1, 1944]

Country group	Lend-lease aid	Loans	Grants	Investments	Construction of facilities
British Empire.....	\$15,640,479,250	\$432,853,414			\$897,757,281
Russia.....	4,161,422,010				
China.....	418,296,436	115,442,272			197,915
Latin America.....	158,537,916	210,218,535	\$31,985	\$4,099,362	224,547,920
Other countries.....	582,891,622	74,970,515			188,989,776
General.....	<sup>1</sup> 832,610,585	20,938,489			154,349,317
Total.....	21,794,237,819	<sup>2</sup> 854,423,225	31,985	4,099,362	1,465,842,209

Country group	Purchases	Current expenses	Other aid and expenditures	Total
British Empire.....	\$2,046,398,293	\$644,787,002	\$38,022,434	\$19,700,297,674
Russia.....	15,008,084	290,822	38,200,533	4,214,921,449
China.....	60,544,105	78,829,605	247,039,118	920,349,451
Latin America.....	1,556,747,117	86,724,972	86,470,982	2,327,378,789
Other countries.....	491,652,634	74,918,812	1,568,757	1,414,992,116
General.....	2,505,858	753,321,535	21,022,099	1,784,747,883
Total.....	4,172,856,091	1,638,872,748	432,323,923	30,362,687,362

<sup>1</sup> Includes \$604,993,000 expended for production facilities in the United States; the remainder expended for storage and distribution services and facilities and general expenses.

<sup>2</sup> Export-Import Bank figures included under loans are from the organization of the bank in 1934 to Mar. 31, 1944.







## EXTENSION OF LEND-LEASE ACT

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MAY 2 (legislative day, APRIL 12), 1944.—Ordered to be printed

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Mr. CONNALLY, from the Committee on Foreign Relations, submitted the following

## REPORT

[To accompany H. R. 4254]

The Committee on Foreign Relations, to whom was referred the bill (H. R. 4254) to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The bill amends subsection (c) of section 3 and subsection (b) of section 6 of an act to promote the defense of the United States, approved March 11, 1941 (Public Law 11, 77th Cong.), and amended March 11, 1943 (Public Law 9, 78th Cong.), by extending each of the dates therein for 1 year so that these provisions will read as follows (the language proposed to be repealed is enclosed in black brackets and the amendatory language is in italics):

## Subsection (c) of section 3:

After **June 30, 1944** *June 30, 1945*, or after the passage of a concurrent resolution by the two Houses before **June 30, 1944** *June 30, 1945*, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until **July 1, 1947** *July 1, 1948*, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before **July 1, 1944** *July 1, 1945*, or before the passage of such concurrent resolution, whichever is the earlier.

## Subsection (b) of section 6:

All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during



the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after [June 30, 1947] *June 30, 1948.*

The bill contains a new section which was inserted by the House Foreign Affairs Committee and amended on the floor of the House. The new section amends section 3 (b) of the act as follows (new matter in italics):

The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory: *Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure.*

#### POST-WAR POLICIES

Last year, in its report recommending the passage of the bill extending the Lend-Lease Act, your committee stated its belief that there is no authority in the Lend-Lease Act to warrant any general post-war commitments or post-war policies in agreements made under the terms of the Lend-Lease Act.

The full text of the statement of the committee on this point is as follows:

During the hearings before congressional committees, it was indicated that potential benefits under the lend-lease program might result from article VII of the master lend-lease agreements with Great Britain, the Soviet Union, China, and seven other of our chief allies. It is stated in the British agreement, for example, that the terms and conditions of that settlement under section 3 (b) of the act shall be such "as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measure, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and in general, to the attainment of all the economic objectives set forth in the joint declaration made on August 12, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

"At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded governments."

Article VII indicates the type of economic action which may be contemplated. It is not a commitment which binds either of the legislative bodies of this Government. For example, article VII does not authorize the reduction of tariffs or commit the United States to other measures which under the Constitution must be adopted by the Congress or by either branch thereof.

So far as action by the United States is concerned, it is to be expected that conversations under article VII will result in proposals of policy which will be dealt with in each case according to the normal course of our constitutional procedure. Nothing in section 3 (b) of the Lend-Lease Act, or article VII of the lend-lease agreements, affects the way in which this Government will decide the kinds of economic action it will take. The committee believes that there is no authority in the Lend-Lease Act to warrant any general post-war commitments or post-war policies in agreements made under the terms of the Lend-Lease Act.

The committee desires to emphatically reaffirm the principles stated in the foregoing excerpt. If there is any necessity for Congress to formally declare its adherence to these principles in order to insure their recognition, the committee believes that the proviso added by section 2 of the House bill adequately takes care of the situation.

#### NECESSITY FOR CONTINUING LEND-LEASE

The United Nations are now prepared for the decisive battles of this war. Their men and their weapons are deployed for the great offensives to come both in Europe and in the Far East. The plans for these offensives are based upon two great principles—the freest interchange of fighting manpower made possible by unity of command and the most efficient use of resources made possible by lend-lease and reverse lend-lease. Only if we continue to combine our resources through lend-lease and reverse lend-lease can each of the United Nations strike the enemy with the maximum force. We cannot slacken for one moment our efforts of mutual aid at this crucial stage of the war.

There has been no controversy with respect to the necessity for passing this bill. The House Foreign Affairs Committee conducted extensive hearings, continuing over a period of weeks, and made a full and complete record concerning lend-lease operations. This record was fully considered by this committee. In addition, the committee heard testimony from Leo T. Crowley, Foreign Economic Administrator, and Oscar Cox, general counsel of the Foreign Economic Administration.

The committee was greatly assisted in its consideration of the bill by various factual statements, charts, and other data presented to the members of the committee. Most of this information that was not included in the record of the hearings before the House Foreign Affairs Committee has been included in the record of the hearings before this committee. The 14 detailed reports on lend-lease operations which have been submitted to the Congress pursuant to section 5 (b) of the Lend-Lease Act have also been of great assistance in appraising the part played by lend-lease in the conduct of the war.

The facts brought out before your committee at its hearings indicate the vital necessity for continuing the Lend-Lease Act as an essential part of our mechanism for waging war.

#### MUTUAL WAR AID—REVERSE LEND-LEASE

In view of the comprehensive nature of the reports on lend-lease and reverse lend-lease operations contained in the printed record of the hearings before your committee, in the printed record of the hearings before the House Foreign Affairs Committee, and in the report of the House Foreign Affairs Committee, it is not necessary to include in this report a detailed review of these activities. Your committee would like, however, to comment on several salient features of lend-lease operations.

The mutual war-aid programs of the United Nations are providing the weapons needed for victory on every front and on the production line behind those fronts. Through combined organizations our weapons, our war-production supplies, our food, and our merchant

ships are allocated and sent to the various theaters of war in accordance with strategic decisions of the military commanders. The responsibility for those over-all decisions rests with the Combined Chiefs of Staff. Whether the aid is provided by the United States under lend-lease or by other United Nations under mutual aid, the guiding principle always followed is, Will the supplies, services, or information furnished hasten the day of victory?

American, British, and Canadian war supplies are moving in ever-increasing quantities to the Soviet Union. By March 1, 1944, we had sent under lend-lease 8,800 planes, 5,200 tanks, and huge quantities of other war materials. American, British, and Canadian war supplies are moving to China in quantities which are increasing at a rate as fast as can be expected under the hampering conditions of air transportation. With the aid of these lend-lease shipments, the Red Army has destroyed important elements of the Nazi war machine and tens of thousands of German planes, tanks and guns, and the Chinese Army has made an impressive showing against the Japanese.

American and British weapons are being used in Africa to reequip French, Polish, Yugoslav, and Greek troops so that they can play their full part in the liberation of their homelands. Already several divisions of these troops have participated in the campaigns in Tunisia, Sicily, Sardinia, Corsica, and Italy, thus reducing the numbers of American and British soldiers that had to be sent to these fronts. And from French north and west Africa we are receiving as reverse lend-lease food for our forces in the Mediterranean area.

Under lend-lease we have sent munitions and war supplies to Britain, India, Australia, and New Zealand. These members of the British Commonwealth in their turn are furnishing our armed forces, as reverse lend-lease without payment by us, ever-increasing quantities of supplies and services. The monthly rate of reverse lend-lease aid from Australia and New Zealand, for example, now approximates the monthly rate of lend-lease shipments to those areas.

#### COMMERCIAL TRADE

The committee made inquiries to determine to what extent lend-lease operations may have affected the commercial trade of the United States. The committee found that despite the loss of important markets in Axis countries and countries now occupied by the Axis, the drastic limitation of shipping, and the curtailment of civilian production, cash purchase exports from the United States in 1942 and 1943 (excluding all lend-lease shipments) maintained the average of such exports for the years 1930 through 1939. This record contrasts sharply with that of our larger allies who have suffered serious, and in some cases alarming, declines in their foreign trade as the war has progressed.

These declines have resulted in part from the normal consequences of war and in part from the fact that the receipt of lend-lease supplies has operated to restrict the field in which those countries can participate in foreign trade. Thus, in the master lend-lease agreements each of our allies has agreed that it will not retransfer—and hence will not reexport—any article it has received under lend-lease without the approval of the President. In addition, the United Kingdom Government in a white paper issued September 10, 1941, declared



that it would apply substantially similar restrictions to the export of short supply articles, no matter from what source derived, if similar goods are obtained from the United States either for cash or under lend-lease. The effect of this declaration has been to avoid any possibility that British industry could through lend-lease derive a commercial advantage at the expense of United States industry.

#### CONCLUSION

We and our allies are now ready for the supreme tests of this war. We have come a long way since those dark days of 1940 and 1941 when the Axis aggressors were winning all the victories. Those were the days of weakness and disaster as the peace-loving nations were overrun one by one.

Now as United Nations we have found the strength that comes from unity. We have combined our manpower and our material resources. Every sector of every front manned by our allies with the aid of lend-lease weapons and every battle won with the aid of lend-lease weapons is a sector we will not have to man and a battle we will not have to win. The fight is our fight—and theirs. United, the freedom-loving peoples of the world are certain of final victory and the opportunity to establish a just and durable peace.





Calendar No. 859

78TH CONGRESS  
2D SESSION

# H. R. 4254

[Report No. 848]

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## IN THE SENATE OF THE UNITED STATES

APRIL 21 (legislative day, APRIL 12), 1944

Read twice and referred to the Committee on Foreign Relations

MAY 2 (legislative day, APRIL 12), 1944

Reported by Mr. CONNALLY, without amendment

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## AN ACT

To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That subsection (c) of section 3 of an Act to promote the  
4       defense of the United States, approved March 11, 1941, as  
5       amended, is amended by striking out "June 30, 1944"  
6       wherever it appears therein and inserting in lieu thereof  
7       "June 30, 1945"; by striking out "July 1, 1947" and  
8       inserting in lieu thereof "July 1, 1948"; and by striking  
9       out "July 1, 1944" and inserting in lieu thereof "July 1,  
10      1945"; and subsection (b) of section 6 of such Act is



1 amended by striking out "June 30, 1947" and inserting in  
2 lieu thereof "June 30, 1948".

3 SEC. 2. Subsection (b) of section 3 is amended by  
4 striking out the period after the word "satisfactory" and in-  
5 serting the following: ": *Provided, however,* That nothing in  
6 this paragraph shall be construed to authorize the President  
7 in any final settlement to assume or incur any obligations on  
8 the part of the United States with respect to post-war eco-  
9 nomic policy, post-war military policy or any post-war policy  
10 involving international relations except in accordance with  
11 established constitutional procedure."

Passed the House of Representatives April 19, 1944.

Attest:

SOUTH TRIMBLE,

*Clerk.*



Calendar No. 859

78<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**H. R. 4254**

[Report No. 848]

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## **AN ACT**

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To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

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APRIL 21 (legislative day, April 12), 1944

Read twice and referred to the Committee on  
Foreign Relations

MAY 2 (legislative day, April 12), 1944

Reported without amendment







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued May 5, 1944, for actions of Thursday, May 4, 1944)

(For staff of the Department only)

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NOTE: ORGANIC ACT OF 1944, H. R. 4278. If this bill is enacted, it is planned to distribute copies of the public law, through bureau budget offices, in the same quantities as specified in the regular departmental distribution list (which was prepared some time ago) for the 1945 Agricultural Appropriation Act. If these quantities of the proposed Organic Act will not be sufficient or could be reduced, it is suggested that the bureau budget officers advise the Legislative Reports and Service Section (Ext. 4654) immediately. After the initial distribution, it may be difficult to obtain additional copies of the Act, although this office will attempt to keep a small supply for emergency requests.

HOUSE

1. TAXATION. Continued general debate on the tax-simplification bill, H. R. 4646 (pp. 4093-116). Rep. Knutson, Minn., said the bill will help farmers by permitting them to qualify as such for tax purposes if  $\frac{2}{3}$  of their income is derived from farming (p. 4094). Miss Sumner, Ill., asked that relief be provided for farmers who filed returns too late, and Rep. Cooper, Tenn., stated that this is provided for under existing law and in the pending bill (p. 4099).
2. COOPERATIVES. Rep. Burdick, N. Dak., defended farmers' cooperatives and discussed "the story of the fight on Farmers Union Grain Terminal Co." (pp. 4116-21).
3. APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$378,000 for administrative expenses of the Federal Farm Mortgage Corporation (H. Doc. 570). To Appropriations Committee. (p. 4121.)  
Received from the President a supplemental appropriation estimate of \$450,000,000 for UNRRA and a proposed provision authorizing disposition of lend-lease supplies, services, or funds in the amount of \$350,000,000 (H. Doc. 572). To Appropriations Committee. (p. 4121.)
4. FOOD RATIONING. Rep. Rowe, Ohio, indicated a belief that food rationing has been relaxed because this is election year (p. 4092).
5. FORESTRY. Agriculture Committee reported without amendment S. 1618, to amend several acts which authorize appropriation of receipts from certain national forests for the purchase of lands, to provide that any such receipts not appropriated or appropriated but not expended or obligated shall be disposed of in the same manner as other national-forest receipts (H. Rept. 1416) (p. 4122).



6. LEND-LEASE. Began debate on H. R. 4254, to extend the Lend-Lease Act for 1 year (pp. 4079-88). Agreed to Sen. McKellar's (Tenn.) motion to have the Appropriations Committee investigators' report on lend-lease printed in the Record and as a S. Doc. (pp. 4082-88). Sen. Connally, Tex., announced that the bill will probably be voted upon today (p. 4080).
7. PURCHASING. Passed with amendments S. 1718, to provide for settlement of claims arising out of terminated war contracts (pp. 4072-5, 4077-8).
8. FARM LOANS. Received a Kans. Federation of National Farm Loan Associations' (Wichita, Kans.) resolution favoring a reduction of the rate of interest on Land Bank Commissioner loans to 4%, including new loans made by the Federal Farm Mortgage Corporation (p. 4068).
9. FOOD FOR EUROPE. Sen. Capper, Kans., inserted Howard Kershner's letter and statement urging the sending of food to Europe's children (pp. 4070-1).
10. WILDLIFE CONSERVATION. Received from the Western Assn. of State Game and Fish Commissioners several resolutions: (1) favoring the enactment of legislation to amend the Federal-Aid and Wildlife Restoration Act so as to remove present restrictions against the use of funds thereunder for maintenance and operation of projects completed under its provisions; (2) favoring certain regulations with reference to the migratory waterfowl season of 1944-45; (3) protesting against the acquirement by any Federal agency of additional lands in Western States except with specific approval of the State legislature with reservations of the right of public hunting, fishing, and trapping under State jurisdiction; and (4) relating to provision by the U.S. Reclamation Service of screens and other devices for the protection of fish in waters upon which irrigation, power, and industrial development projects have been or shall be constructed (pp. 4067-8).
11. PUBLIC LANDS. Received a Western Assn. of State Game and Fish Commissioners' resolution protesting against the creation by Executive order of the Jackson Hole Monument, Wyo., and favoring H.R. 2241, to rescind the order (pp. 4067-8).
12. MEAT IMPORTS. Received a Western Assn. of State Game and Fish Commissioners' resolution opposing any relaxation of the sanitary embargo on the importation of meat and meat products from countries where the food-and-mouth disease is epidemic (p. 4067).

#### BILLS INTRODUCED:

13. WEED CONTROL. By Sen. Clark, Idaho, S. 1890, to provide for the general welfare by establishing a system of Federal benefits for the control and the eradication of noxious weeds; to conserve and protect the agricultural resources of the U.S.; to empower the Secretary of Agriculture to make certain rules and regulations and prescribe conditions and to raise revenue. To Agriculture and Forestry Committee. (pp. 4069-70.)
14. WAR MOBILIZATION. By Sen. Kilgore, W.Va., S. 1893, to provide for the establishment of an Office of War Mobilization and Adjustment. To Military Affairs Committee. (p. 4070.)
15. PROPERTY REQUISITION. By Rep. Crawford, Mich., H.Con.Res. 83, expressing the intent of Congress in legislation relative to wartime seizure of property. To Judiciary Committee. (p. 4122.)



The Senator from Indiana [Mr. JACKSON] is absent attending a funeral.

Mr. WHITE. The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Oregon [Mr. HOLMAN], the Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], the Senator from North Dakota [Mr. NYE], the Senator from Nebraska [Mr. WHERRY], and the Senator from Indiana [Mr. WILLIS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The PRESIDING OFFICER. Sixty-eight Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. KILGORE].

Mr. KILGORE. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. KILGORE. I ask for a division.

Mr. LANGER. A parliamentary inquiry. What is the question on which the Senate is voting?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from West Virginia to Senate bill 1718. The Senator from West Virginia has asked for a division.

On a division, the amendment was rejected.

Mr. DAVIS subsequently said: Mr. President, I should like to have the RECORD show in regard to the amendment offered by the Senator from West Virginia [Mr. KILGORE] to Senate bill 1718, that if I had had an opportunity to vote on the amendment I would have voted for it.

Mr. LANGER subsequently said: Mr. President, I should like to have the RECORD show the same statement on my own behalf as has been made by the distinguished senior Senator from Pennsylvania.

The PRESIDING OFFICER. The committee amendment is before the Senate and open to further amendment.

Mr. REVERCOMB. Mr. President, I should like to make an inquiry which I feel can be answered by the Senator from Montana [Mr. MURRAY], with respect to an amendment which we discussed, which is proposed to be offered on page 83, in subsection (f) of section 20. That amendment to the committee amendment has not been offered, and if it is appropriate to offer it at this time I should like to do so.

Mr. MURRAY. I have no objection to the amendment.

Mr. REVERCOMB. I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In section 20, subsection (f) on page 83, line 23, it is proposed to strike out the words "If the officer or employee receives therefor no benefit or compensation of any kind, directly or indirectly, from any war contractor," and insert in lieu thereof the word "any."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. REVERCOMB] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, shall the bill pass?

The bill (S. 1718) was passed.

Mr. MURRAY subsequently said: Mr. President, I am gratified by the speed with which the Senate has acted on Senate bill 1718 today. I believe that this handling of the termination of war contracts problems shows that Congress is capable of coping with the other intricate problems of our economic readjustment after the war. However, Congress will not have discharged its responsibilities by the mere passage of Senate bill 1718. The bill contains general policy statements, and makes it the responsibility of the contracting agencies and the director to carry out those policies. The two principal policies of the bill are to assure fair settlements and adequate interim financing to all war contractors, whether they be prime contractors or subcontractors, and to protect the interests of the Government in connection therewith. There is, of course, danger that those policies may not be carried out or, more specifically, that inadequate attention may be paid to subcontractors in connection with settlements and interim financing, and that extravagant and wasteful settlements may be made. Senate bill 1718 specifically provides in Section 2 that the "appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this act and shall otherwise maintain continuous surveillance of the Government agencies under the act." This responsibility on the part of Congress to see to it that the policies laid down by the Congress are carried out is a serious one, and it must be discharged properly if the power of Congress in our democratic system of government is to be maintained.

#### EXTENSION OF LEND-LEASE ACT

Mr. CONNALLY. Mr. President, I move that the Senate proceed to the consideration of House bill 4254 to extend for 1 year the provisions of the lend-lease legislation.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4254) to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended.

Mr. BRIDGES. Mr. President, I wish to make one inquiry, if I may, of the Senator from Tennessee. Will the Senator from Texas yield for that purpose?

Mr. CONNALLY. I yield.

Mr. BRIDGES. I understood that the Senator from Tennessee, the acting chairman of the Appropriations Committee, had a group of experts working on the lend-lease matter, and that we were about to receive a report on the general operations of lend-lease. I wonder if the Senator from Tennessee intended to present the report before or during the period of consideration of the lend-lease measure.

Mr. McKELLAR. The Senator is correct with respect to the report. I will say that there is a call for a meeting at 1:45 p. m., today, of the subcommittee which considered this matter. The Senator from New Hampshire is a member of that subcommittee.

Mr. BRIDGES. Yes.

Mr. McKELLAR. There is also to be a meeting of the full Appropriations Committee at 2 o'clock this afternoon. Unless objection is made, I am going to anticipate by making a brief statement with respect to lend-lease and I shall ask that when the report comes in it may be made a part of my remarks. Is that satisfactory to the Senator from Texas and other Senators? If so, I shall make the statement now.

Mr. ELLENDER. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. ELLENDER. It was my understanding that the bill would not come up for consideration until the report, to which the Senator from Tennessee has just referred, was made public.

Mr. McKELLAR. It will be made public after 2 o'clock today.

Mr. ELLENDER. When does the Senator from Texas desire to take up the lend-lease bill—now?

Mr. CONNALLY. I have already moved that the Senate proceed to consider the bill, so that it may be made the pending business. I ask the Chair whether action has been taken on my motion.

The PRESIDING OFFICER. The motion made by the Senator from Texas is still pending.

Mr. CONNALLY. The motion to proceed to consideration of the lend-lease measure is pending.

Mr. ELLENDER. I was hopeful that consideration of the bill would be postponed until some of us had had time to study the report which is to be submitted by the distinguished Senator from Tennessee.

Mr. McKELLAR. I have no doubt that the Senator from Texas would be willing that that be done, but I should like to submit the report at this time.

Mr. CONNALLY. Mr. President, I will say to the Senator from Louisiana that it is my purpose, if the Senate agrees to my motion to proceed to consideration of the bill, to request the Senator from Tennessee to make the report which he has in mind, and then, after a very brief statement by me as chairman of the Committee on Foreign Relations, the



Senate will probably recess until tomorrow, so as to give Senators an opportunity to peruse the report which the Senator from Tennessee will present.

Mr. ELLENDER. That is satisfactory to me.

Mr. McKELLAR. I was about to say that I shall ask that the report be published in the CONGRESSIONAL RECORD and printed as a Senate document, so everyone can understand exactly what has been done under lend-lease.

Mr. ELLENDER. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. ELLENDER. Does the Senator from Texas know whether or not the Truman committee has completed its report on the lend-lease proposal?

Mr. CONNALLY. I cannot at the moment say about that. I can ascertain whether it has been completed.

Mr. ELLENDER. I was under the impression that that report would also be forthcoming before the question of renewing lend-lease legislation would be taken up by the Senate.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WHITE. I want to be sure I understand the program. I have understood from some conversation which has taken place in the Chamber that we would proceed now with the lend-lease bill, with the understanding that it would not be disposed of today, but would go over until tomorrow.

Mr. CONNALLY. That is correct.

Mr. WHITE. And that at the conclusion of the consideration of the bill tomorrow the Senate would then recess until Tuesday.

Mr. CONNALLY. That is the program as I understand it, that we proceed a short time today on the lend-lease bill, and then recess until tomorrow, and that tomorrow, when the consideration of the bill is completed, the Senate will then recess until Tuesday.

Mr. ELLENDER. Before voting on the bill?

Mr. CONNALLY. No. We will vote on the lend-lease measure probably tomorrow, but I mean in the course of things we would then recess from Friday until Tuesday.

I renew my motion that the Senate proceed to the consideration of House bill 4254.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4254) to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended.

Mr. CONNALLY. Mr. President, if the Senator from Tennessee will wait a moment before he proceeds with his statement?

Mr. McKELLAR. Yes, indeed.

Mr. CONNALLY. The Committee on Foreign Relations of the Senate has favorably reported House bill 4254, submitted Report No. 848 to accompany the bill, and requests favorable consideration of the bill by the Senate. The bill simply provides for an extension for 1 year of the so-called lend-lease legislation, except that it carries an amend-

ment which was not incorporated in former enactments. The House inserted this provision as an amendment to section 3 (b) of the act:

*Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy, or any post-war policy involving international relations except in accordance with established constitutional procedure.*

That is a safeguard which the House inserted in the bill, and to which the Senate committee agreed.

Mr. President, in view of the fact that the Senator from Tennessee, as chairman of the Committee on Appropriations, has given very thorough consideration to the operations of lend-lease in connection with appropriations for that activity, I yield the floor at this time to him in order that he may give the Senate a picture of the situation, and in order that the report may be printed in the RECORD tonight for the information of Senators in their consideration of the bill. It is not my purpose to insist upon a vote on the bill today.

Mr. DANAHER. Mr. President, there was one point in the statement made by the Senator from Texas [Mr. CONNALLY] to which I should like to invite his attention at this time. After indicating that in the language adopted by the House of Representatives there appeared a proviso, the Senator explained that its insertion is designed to insure against having the President in a final settlement commit us to certain obligations which are mentioned. It becomes clear, upon reading, that the limitation upon the President's authority to act is prospective, when one refers to the words "incur any obligations on the part of the United States"; so that in any "final settlement," as the proviso reads, the President, under the authority of this particular paragraph, would have no power to incur any obligations with respect to post-war economic policy, and so forth. I think the Senator will agree with me in my understanding that the provision is prospective in application when it is considered with reference to the word "incur." Is that not correct?

Mr. CONNALLY. The language is—  
In any final settlement to assume or incur any obligations.

I assume that what is meant is that during the processes of administration of this act there will be temporary arrangements for settling certain things, but that under all the master agreements there must be, in the ultimate accounting and reckoning, a final settlement. Certainly as to that the President will not be authorized to incur or assume obligations on the part of the United States.

Mr. DANAHER. I agree with the construction the Senator has placed on that language; and, so far as the word "incur" is concerned, that applies prospectively, entirely.

Mr. CONNALLY. I think so.

Mr. DANAHER. But between now and the date of any final settlement it is assumedly, at least, possible that

the President might wish to enter into certain obligations. Therefore, I dare say, the draftsmen used the word "assume," in the language "assume or incur," in the sense of limiting any commitment the President might make between now and the date of the final settlement. Is that correct?

Mr. CONNALLY. Mr. President, in the main I agree with the Senator; and yet I am prepared to take the position that this language applying to the final settlement would have the effect, according to my theory, of vacating any temporary or tentative agreements which might have been made prior to the final settlement, because the final settlement will constitute the definitive terms upon which the whole program will be discontinued.

Mr. DANAHER. So that even though some unauthorized operations might now be undertaken, at the time of final settlement the President would not look to this section as the basis for binding action; is that correct?

Mr. CONNALLY. That is correct.

Mr. DANAHER. I thank the Senator.

Mr. CONNALLY. I yield the floor.

Mr. McKELLAR obtained the floor.

Mr. CONNALLY. Mr. President, does the Senator from Tennessee desire to have the absence of a quorum suggested?

Mr. McKELLAR. No; I believe not. I wish to make a statement at this time, because I have a committee meeting scheduled for quarter to 2 this afternoon.

Mr. CONNALLY. Mr. President, will the Senator yield to me for a moment?

Mr. McKELLAR. I yield.

Mr. CONNALLY. I wish to say that I hope all Members of the Senate will give attention to what the Senator from Tennessee has to say about this matter; because this bill is merely an authorization, as the others have been; and, of course, the actual appropriations have to be passed on by the Appropriations Committee. The Appropriations Committee has made a very careful investigation and examination of the reports on the lend-lease operations, and Senators probably will derive a better understanding from what the Senator from Tennessee is about to say than from any other source.

Mr. McKELLAR. Mr. President, I thank the Senator. I wish to say to the Senate that about 4 months ago, as Senators will recall, the Senate Appropriations Committee borrowed five men from certain of the departments for the purpose of making expert examinations of certain questions of great importance which came before the Congress. One of the most important of those was lend-lease. This committee was put in charge of it some time ago.

On November 26, 1943, the Subcommittee on Deficiencies submitted to the staff of the Committee on Appropriations a request for as much information about lend-lease as it was possible to obtain. The report which will be filed a little later, is in answer to the request for information made at that time.

The investigation was made upon a suggestion by the Senator from Maryland [Mr. TRYNGS], a member of the committee, in May 1943, to Mr. Stettin-



ius. The Senator from Maryland has collaborated with the auditors in arranging this information in the best possible form so that it may be easily understood. Mr. Stettinius was then the Administrator of Lend-Lease, and since that time has been appointed Assistant Secretary of State. Mr. Leo T. Crowley has been appointed the Administrator of Lend-Lease, and is now the Administrator.

I wish to say that our staff has met with the fullest and most cordial cooperation and assistance from all departments and agencies concerned, including the interdepartmental committee, and I am very much pleased with the nature and value of the work of the expert staff of the Committee on Appropriations. We tried it out. As Senators know, the Appropriations Committee has only four clerical assistants, all told; namely, one stenographer, one clerk, and two expert clerks—Mr. Smith, the secretary of the committee, and Mr. Tolbert, the assistant secretary. An immense amount of work has devolved upon them during this war. This staff has been of great assistance to the regular clerical force of the committee. I do not suppose any clerks of any committee have been busier than have the clerks of the Appropriations Committee, and I take pleasure in saying that in my judgment this staff has done excellent work.

Exhibit 10 to the report of the committee investigators, which will be filed a little later, will show that lend-lease aid amounts to \$21,794,237,819.

Let me read that figure again.

Mr. VANDENBERG. Once is enough for me. [Laughter.]

Mr. McKELLAR. It is a very large amount of aid.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BRIDGES. Does that include transfers from the War Department, the United States Army, or the United States Navy, in the field, or does it represent straight appropriations?

Mr. McKELLAR. It represents lend-lease aid entirely. There were other expenditures, and our staff has reported the amounts of such expenditures, which I shall give to the Senate in a moment. If the Senator is in doubt about any matter, I hope he will interrupt again.

These amounts are divided as follows: The British Empire has received in lend-lease aid \$15,640,479,250, out of a total of \$21,000,000,000 plus. Russia has received \$4,161,422,010; China, \$418,296,436; Latin America, \$158,537,916; other countries, \$582,891,622. General aid, given in various ways and amounts, aggregated \$832,610,535. This general expense includes moneys expended for production facilities in the United States, storage and distribution services, and general expenses, which together with the other amounts, aggregate a total of \$21,794,237,819.

To repeat, the British Empire received a little more than fifteen and a half billion dollars, and Russia received \$4,161,422,010. However, it must be explained to the Senate that there were other items expended in foreign countries which our committee has examined

and reported upon. We have made loans through the Export-Import Bank, and there were other loans made which will be referred to hereafter. We have made loans aggregating \$854,423,225. We made a grant of an insignificant sum of \$31,985. There were investments of \$4,099,362. We have constructed facilities in various countries amounting to \$1,465,842,209. We purchased goods in other countries—and I hope Senators will keep this in mind—amounting to \$4,172,856,091.

The current expenses of all these transactions amount to \$1,638,872,746, and other aid and expenditures aggregated \$432,323,922, or a grand total in loans, investments, purchases, and in several other ways which I have just enumerated, of \$30,362,687,362.

I am reading from notes, something that I do not often do, because I wish to be very accurate about the figures, and I thank Senators for listening to the notes rather than what I might say about it.

Of this expenditure, approximately \$19,700,297,674 has gone to Great Britain and her Empire; \$4,214,921,449 has gone to Russia; \$2,327,378,789 has gone to Latin America.

It will be recalled that last winter quite a controversy arose following a visit to Central and South America by the distinguished Senator from Nebraska [Mr. BUTLER]. Upon his return it was claimed that \$6,000,000,000 or \$8,000,000,000 had been expended in South America. I then showed that there had been expended during the fiscal years 1941, 1942, and 1943 the sum of \$1,483,373,000, and that during the fiscal year 1944 approximately \$1,000,000,000 additional would be expended.

It will be seen from these figures that the exact amount expended in Latin America was \$2,327,378,789, as was demonstrated last winter.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. Does that include such things as the Army building airports in Brazil, Cuba, and so forth?

Mr. McKELLAR. It does.

Mr. TAFT. Does it include also strictly Army expenditures?

Mr. McKELLAR. Yes; Army and Navy expenditures. It includes all moneys expended by Lend-Lease and by other authorities having the power to expend. I am now talking about the \$30,000,000,000, the over-all sum, which includes the Army, the Navy, the Foreign Economic Administration—

Mr. TAFT. Does it include loans made by the Export-Import Bank?

Mr. McKELLAR. It includes all loans made by the Export-Import Bank, and it includes all moneys expended and all purchases made. The Senator may recall that a few moments ago I particularly emphasized that we had made purchases in foreign countries amounting to more than \$4,000,000,000.

For obvious reasons, the committee has not reported the amounts going to each Central or South American country, but the committee has the figures, and any Senator may see them at any time. I think I should say that Brazil

received a larger amount than did any other South American country. There were two reasons for that. At that time it was felt that the West Coast of Africa, especially the port of Dakar, would fall into the hands of the Germans, and it was feared that Germany might undertake an invasion of this hemisphere by that route, it being only about 1,800 miles from the nearest coast of Brazil. Therefore considerable sums were expended in Brazil to aid her in protecting her coasts from German invasion. As I recall the amount, it was about \$100,000,000. A considerable sum was also expended for the production of rubber, and for this reason I am giving the total amount expended in Brazil. The total amount expended in Brazil up to date is \$427,742,152, of which \$1,536,227 was lend-lease expenditure.

Let me say to the Senator from Ohio that the Army and Navy expended a very considerable sum in Brazil, looking to a possible invasion of this hemisphere because of the expected German occupation of west Africa. That was not carried through, and nothing happened. Those expenditures, of course, have ceased.

Mr. TAFT. Can the Senator tell us whether the figures as to Brazil include commitments for future advances for such projects as the development of steel plants? I have understood that there were such commitments. I presume these figures represent only actual expenditures.

Mr. McKELLAR. These are only actual expenditures. As I have already stated, considerable funds have also been expended in experiments looking to the production of rubber. Senators will recall that our supply of rubber from the East Indies, where we obtained most of our rubber, was cut off, and an attempt was made to promote the production of rubber.

It will also be recalled that Argentina has never joined the Allies, and that no lend-lease assistance whatever was given to her, as the record will show.

In a moment I shall give a summary of the investigators' report. I refer to page 29. The summary covers from March 11, 1941, to March 31, 1944, and Government expenditures abroad for the fiscal years 1941, 1942, and 1943, and for that portion of the fiscal year 1944 for which different agencies had figures available ranging from 4 to 8 months. The report shows a total figure of approximately \$30,000,000,000, distributed as follows:

Lend-lease aid.....	\$21, 794, 237, 819
Loans.....	854, 423, 225
Grants.....	31, 935
Investments.....	4, 099, 362
Construction of facilities....	1, 465, 842, 209
Purchases.....	4, 172, 856, 091
Current expenses.....	1, 638, 872, 748
Other aid.....	432, 323, 923
Total.....	30, 362, 687, 362

Distributions were made geographically as follows:

British Empire.....	\$19, 700, 297, 674
Russia.....	4, 214, 921, 449
Latin America.....	2, 327, 378, 789
China.....	920, 349, 451
Other countries.....	3, 199, 739, 999

Or a total of \$30,362,687,362.



Mr. President, I have the committee recommendations which I wish to have inserted in the RECORD as a part of my remarks, but I will not read them. I ask unanimous consent that they may be inserted in the RECORD.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BRIDGES. What does the Senator mean by committee recommendations? The committee has not met as yet.

Mr. McKELLAR. No; I know that. My statement is predicated on the action which will be taken by the committee.

Mr. BRIDGES. I think that before we agree to the unanimous-consent request of the Senator from Tennessee, the committee should meet and pass upon these matters.

Mr. McKELLAR. Mr. President, I withdraw the request for the present, until after the committee has met and acted.

I doubt whether the war could be successfully conducted in any other way than through the lend-lease program. From the facts presented to our committee I believe that the program has been faithfully, honestly, and efficiently carried out. I believe the program should be continued, and I hope the bill will be passed.

At this time I ask that all members of the Appropriations Committee retire and meet, and pass upon the report.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the preliminary report of the committee investigators to the Senate Committee on Appropriations on lend-lease aid and Government expenditures abroad, and I also ask unanimous consent that it be printed as a Senate document.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The report was ordered to be printed as a Senate document (S. Doc. No. 190), and to be printed in the RECORD, as follows:

PRELIMINARY REPORT ON LEND-LEASE AID  
MAY 1, 1944.

The CHAIRMAN,  
Subcommittee on Deficiencies,  
Committee on Appropriations,  
United States Senate.

DEAR MR. CHAIRMAN: Under date of November 22, 1943, the Subcommittee on Deficiencies directed that the following data be secured:

"1. By countries, all lend-lease aid given by the United States.

"2. By countries, all lend-lease aid furnished the United States.

"3. We will want to know in reasonable detail what the aid contained in propositions 1 and 2 consists of.

"4. We want to know the extent of purchases and for which made, by countries, of the Bureau of Economic Warfare.

"5. We want to know the expenditures and purposes for which made, by the Coordinator of Inter-American Affairs.

"6. We want to know the expenditures and the purposes by countries made by the R. F. C. and all branches thereof.

"7. We want to know what the purchases or loans were by foreign countries made by the Export and Import Bank.

"8. We want to know the expenditures made by the Army and by the Navy in foreign countries and the purposes for which expended.

"9. We want to know the expenditures by foreign countries made to our Army or Navy other than by lend-lease in reverse for use of our Army and Navy.

"10. Finally, we want a master set of books showing by countries what each has received under any agency of our Government and we want to know by countries what we have received from any agency of any other government. Finally, again we want a super-balance sheet which shows these totals by countries in dealings direct and indirect of our expenditures and theirs in any and all foreign fields."

It will be seen from the very nature thereof that the assignment is a continuing one, the ultimate aim of which is to develop a record of lend-lease aid and expenditures abroad that will be of material benefit to the committee on Appropriations and to the Congress at the time hostilities have ceased and settlements between the nations are undertaken. It is felt advisable, however, at this time to submit a preliminary report to the committee setting forth the progress that has been made, the difficulties that have been encountered, and the steps that are being taken ultimately to furnish the information desired.

GENERAL

After a study of the Lend-Lease Act and the various appropriations made thereunder, a letter was addressed to the various departments and agencies of the Government involved calling for the submission of reports setting forth the following information:

1. Lend-lease aid—to be shown under the various heads of the Lend-Lease Act, namely: Ordnance and ordnance stores; aircraft and aeronautical material; tanks and other vehicles; vessels and other watercraft; miscellaneous military equipment; facilities and equipment; agricultural, industrial, and other commodities; testing, reconditioning, etc., of defense articles; services and expenses; administrative expenses.

2. Loans.

3. Grants.

4. Investments.

5. Construction of facilities.

6. Purchases.

7. Current expenses of United States Government agencies.

8. Any other aid furnished to or expenditures made in or for the benefit of a foreign country, but not included in any of the above categories.

9. The amounts of aid, expenditures, contributions, etc., made by other countries for the benefit of the United States or for the joint benefit of the United States and the foreign country, in the prosecution of the war, this report to cover the same period and be set up in the same manner and detail as the one showing the aid, etc., furnished by the United States.

Shortly after sending out this letter, in contacting the Foreign Economic Administration and other agencies it was learned that there was in existence an Interdepartmental Committee to Study Recording and Reporting of Lend-Lease Transactions and Government Expenditures Abroad. This interdepartmental committee was the outgrowth of the suggestion by Senator TRIMMIS, made during the hearings before the Senate Committee on Appropriations in May 1943 to Mr. Stettinius, then Administrator of Lend-Lease, of the necessity and advisability for having some central agency through which all aid and expenditures abroad could be coordinated and from which records periodic statements for the benefit of the Congress could be prepared. At the suggestion of Mr. Stettinius the study was undertaken by the Bureau of the Budget, with representatives from the State Department, Treasury Department, War Department, Navy Department, and Foreign Economic Administration comprising the committee. The function of the interdepart-

mental committee was to appraise the methods of accounting and reporting, and to make recommendations for desirable improvements therein; it was not called upon to produce dollar figures or even estimates of foreign transactions.

When the representatives of the Appropriations Committee learned of the existence of the interdepartmental committee, it was realized that there would be duplication of effort to the extent of the study of the methods of accounting and reporting. Accordingly, to avoid this duplication of effort, and at the same time to take advantage of the work accomplished and time spent by the interdepartmental committee—comprised of men thoroughly familiar with all phases of aid being rendered and expenditures made—contact was made with the chairman of the committee. It was learned that the interdepartmental committee had completed its work and was in the process of writing its report and, in a fine spirit of cooperation, your representatives were invited to sit in on several of its meetings. As a result of the discussions at these meetings, and others with the chairman of the committee, the report of the interdepartmental committee was submitted to the Appropriations Committee by letter of the Director of the Bureau of the Budget to Senator McKELLAR, acting chairman of the Senate Appropriations Committee, dated March 11, 1944.

The principal recommendations of the interdepartmental committee were:

1. That early action be taken in designating an agency as a clearinghouse for all records and reports concerning international transactions.

2. That each agency involved in international transactions designate a liaison office for contact with the clearinghouse.

The more important of the specific recommendations made by the committee are set forth on pages 15, 16, and 17 of its report.

ESTABLISHMENT OF CLEARINGHOUSE

In line with the recommendation of the interdepartmental committee, the President, in a letter addressed to the Honorable Leo T. Crowley, Administrator, Foreign Economic Administration, under date of April 7, 1944, directed him to establish such a clearinghouse in the Foreign Economic Administration, under a director to be appointed by him. The functions of the clearinghouse include:

"1. To develop, in cooperation with the other agencies concerned, such forms and procedures as will assure the necessary information on our transactions relative to foreign areas.

"2. Where more than one agency is involved, to collaborate with the agencies of whom information is requested in furnishing such information within, of course, the limits of security requirements.

"Information to be covered by this arrangement should include, particularly, transactions on account of international aid, relief in liberated areas, procurement abroad, loans and financial aid, and all other Government outlays and expenditures abroad and receipts from abroad, and also inventory information concerning military and nonmilitary installations, improvements, and stock piles abroad."

The President further stated that it would seem advisable to establish an advisory interdepartmental committee to assist the director, which committee might, among others, include representatives of the Department of State, Department of the Treasury, War Department, Department of the Navy, Department of Commerce, the Bureau of the Budget, and the Office of the Coordinator of Inter-American Affairs. (A copy of the President's letter is attached hereto, marked "Exhibit I.")

Furthering the spirit of cooperation which has been exhibited by officials of the For-



elgn Economic Administration, Mr. Crowley, under date of April 15, 1944, addressed a letter to Senator McKELLAR, advising him of the action of the President and requested that a representative of the investigative staff of the Senate Appropriations Committee be named to serve on the advisory committee. (A copy of this letter is marked "Exhibit II.")

With the findings of the interdepartmental committee thus made available to the Appropriations Committee, the staff centered its efforts on securing reports showing the value of aid rendered and the amount of expenditures abroad. The original reports called for were to be submitted as of October 31, 1943, with monthly reports thereafter. For several of the agencies, particularly the War and Navy Departments, the reports to October 31, 1943, have been the only ones received. This, of course, is due to the delay in information reaching them from all parts of the world. For other agencies reports have been received up to and including February 29, 1944.

For the purpose of this report, comments will be made on each of the items set forth in the memorandum of the Subcommittee on Deficiencies, with tabulated statements attached to show the details. In this connection the attention of the committee is respectfully invited to the requests of the War and Navy Departments that, for reasons of military security, the figures furnished herein be kept secret. It is also the desire of the Foreign Economic Administration that the break-down of lend-lease aid by countries be kept confidential; and the Coordinator of Inter-American Affairs likewise requests that the country-by-country break-down of the expenditures of his office be kept confidential.

#### APPROPRIATIONS

Lend-lease appropriations made to the President total \$24,683,629,000. Of this amount a total of \$22,576,626,477.54 has been allocated to various departments and agencies of the Government, leaving an unallocated balance as of February 29, 1944, of \$2,107,002,522.46. Of the amount allocated, the sum of \$18,748,927,285.53 has been obligated by the departments and agencies to which allocated, leaving an unobligated balance of \$3,827,699,192.01. The available funds (unallocated and unobligated) as of February 29, 1944, therefore amounted to \$5,934,701,714.47. (A statement showing the status of the lend-lease appropriations is attached, marked "Exhibit III.")

In addition to the lend-lease appropriations made to the President, transfers from appropriations made to the War and Navy Departments and to the Maritime Commission have been authorized to the extent of \$35,970,000,000. In reports of lend-lease aid furnished, however, no distinction is made as to the appropriations under which the items were procured or transferred.

In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission, without any numerical limitation as to the dollar value or the number of such ships which may be so leased.

#### DIRECT LEND-LEASE

Lend-lease aid to January 31, 1944, amounted to \$21,794,737,819. Of this total, \$20,961,627,234 represented actual transfers to lend-lease countries, including items totaling \$549,487,264 consigned to United States commanding generals for subsequent transfer in the field. The remainder of \$832,610,585 covered charges not allocated to the lend-lease countries, as follows:

Production facilities in the  
United States ----- \$604,993,000

Storage and distribution services and facilities in the United States -----	\$94,584,566
Transportation charges, supplies, and materials for vessels, ferrying of aircraft expenses, miscellaneous and contingent expenses -----	99,813,019
Administrative expenses -----	33,220,000
<b>Total -----</b>	<b>832,610,585</b>

The figure of \$20,961,627,234, representing actual transfers to lend-lease countries, is distributed as follows:

Ordnance and ordnance stores -----	\$2,546,442,101
Aircraft and aeronautical material -----	3,854,473,980
Tanks and other vehicles -----	3,047,854,819
Vessels and other watercraft -----	3,346,058,940
Miscellaneous military equipment -----	834,920,143
Facilities and equipment -----	540,144,111
Agricultural, industrial, and other commodities -----	5,410,118,412
Testing, reconditioning, etc., defense articles -----	511,035,784
Services and expenses -----	321,091,680
Consigned to commanding generals for subsequent transfer -----	549,487,264
<b>Total -----</b>	<b>20,961,627,234</b>

From a geographical standpoint, the distribution is:

British Empire -----	\$15,640,479,250
Russia -----	4,161,422,010
China -----	418,296,436
South American republics -----	136,944,906
Mexico and Central American republics -----	17,440,208
Caribbean area -----	4,152,802
Other countries -----	582,891,622
<b>Total -----</b>	<b>20,961,627,234</b>

(A table showing a further distribution of these figures is attached as exhibit IV.)

In this connection it is felt advisable to bring to the attention of the committee comments made by the Foreign Economic Administration, the War Department, and the Navy Department, as follows:

#### "FOREIGN ECONOMIC ADMINISTRATION

"An important limitation exists in the figures for the United Kingdom in that they are not broken down to show retransfers to the dominions and colonies. In the early days of the lend-lease program it was agreed that all requests for goods or services for the British Empire would be made on United Kingdom requisitions. This was done to insure that all possible materials would be furnished from within the Empire before lend-lease aid was requested, to permit the greatest flexibility in the distribution of all materials from within the Empire in accordance with the shifting strategy of modern war, and for other military reasons. Consequently, our records were set up on this basis and it is not possible at this time to determine from the total goods transferred the value of retransfers by the United Kingdom to the dominions and colonies. We have, however, the basic records from which this information can be obtained.

"The need for this information has been recognized, however, and we are proceeding with the work of breaking down the transfer data as rapidly as possible. It is a sizable job and several months will be required to complete it. As a stopgap, to serve until the distribution of United Kingdom transfers have been completed, we have furnished a break-down of lend-lease exports to the constituent parts of the British Commonwealth. There is a close relationship between goods exported and goods transferred and it is be-

lieved that the exports data will provide a satisfactory indication of the destination of goods transferred until such time as the compilation of retransfers has been completed.

#### "WAR DEPARTMENT

"(a) Some duplication exists between the amounts reported monthly to the Foreign Economic Administration by the War Department for lend-lease aid and the expenditures reported in paragraph 7 of this submission for the reason that supplies purchased in foreign countries may be transferred to the foreign government as lend-lease aid. The amount of this duplication cannot be determined.

"(b) Aid furnished by overseas theaters is valued by the theater and the accuracy of such values cannot be verified in the War Department as the condition of the items transferred is not known. Reports are not complete on this aid furnished.

"(c) Diversions to United States Army use of lend-lease war material by theater commanders have not been eliminated from transfers reported to the Foreign Economic Administration. Reports received from theaters were incomplete and not priced. Those data have been returned to the field for completion and evaluation.

#### "NAVY DEPARTMENT

"The following comments on reports of transfers are pertinent. Transfers are not reported until the transaction is complete, and all documents, including a receipt signed by an agent of the foreign government, has been received in the Navy Department.

"Services rendered are reported as a transfer when it is possible to identify them with a foreign requisition. Where it is not possible to identify a service with a specific foreign requisition, as for example, freight charges on miscellaneous lend-lease material, the expenditure is handled in one of two ways, i. e.,

"(a) If made from an allocation of funds to the Navy from lend-lease appropriations to the President, it is reported to F. E. A. as a lend-lease expenditure under category 9 of the allocation without reference to nation; or

"(b) If made from a naval appropriation it is reported as an expenditure from that appropriation for the purpose of the appropriation without reference to lend-lease, and no report is made to F. E. A.

"No attempt has been made to assign production facilities to specific foreign nations, they are all considered as United States facilities, and in most cases are used by the United States as well as for the nation whose requisition may have prompted their initiation. The cost-of-production facilities, when financed from allocations from lend-lease appropriations to the President, is reported to F. E. A. as an expenditure against category 6 of the allocation, without reference to foreign nation. No report is made to F. E. A. when such facilities are financed from regular naval appropriations. With the exceptions dealt with herein in section No. 4, all such facilities, however financed, are in the United States.

"No attempt has been made to evaluate information imparted under the terms of the Lend-Lease Act and no report has been made to F. E. A.

"In addition to the exceptions in reports to F. E. A. noted in the foregoing, there are other minor exceptions. For example, in determining inspection, handling administrative and like costs which are incurred in dealing with lend-lease activities it is usually not possible effectively to segregate and prorate the lend-lease portion from the regular Navy portion. Such costs have therefore been absorbed by the naval appropriations.

"The valuations of transfers reported to F. E. A. and of expenditures of allocations of



lend-lease funds from appropriations made to the President have been based on costs as determined by contract or purchase price or by actual expenditures from the allocations made. It is clear that in view of the exceptions cited above, this is not the true cost. Given time and effort a close approximation to the true cost might be made."

## REVERSE LEND-LEASE

The problem of reporting and valuing reverse lend-lease aid constitutes one of the most difficult and complex problems with which the United States Government is faced in its program of mutual aid with foreign governments.

As of March 15, 1944, reciprocal aid was reported as follows:

Country	Source of information	End date of report	Amount
United Kingdom:			
In United Kingdom	United Kingdom Government	Dec. 31, 1943	\$1,366,170,000
In areas outside British Isles	do	do	160,000,000
Australia	Australian Government	do	362,365,000
New Zealand	New Zealand Government	do	91,886,000
India	U. S. Army and W. S. A	do	116,251,000
South Africa	Union Government	June 30, 1943	145,000
Belgian Congo	Army	Nov. 30, 1943	284,000
French North and West Africa	Army, Navy, W. S. A. (estimated)	Jan. 1, 1944	30,000,000
New Caledonia	New Caledonian Government	Mar. 14, 1943	315,000
French Equatorial Africa	Army	Aug. 31, 1943	50,000
Netherlands in Surinam	do	Oct. 31, 1943	85,000
Russia	Russian Government	Sept. 30, 1943	1,000,000
Total			2,129,151,000

<sup>1</sup> Does not include raw materials other than benzol.

It must be borne in mind that the above figures represent estimates, and are not final.

The reporting of reciprocal aid has been difficult. Originally, the Army and Navy required its overseas commanders to report the aid received in detail, as well as the value thereof, determined either on the basis of values furnished by foreign governments or, alternatively, estimates by United States military or naval personnel. As the volume of reciprocal aid increased, this reporting requirement became a very heavy burden. In the case of the United Kingdom, particularly, the British Government stated that it could not individually price "issue vouchers" covering goods provided to our forces, inasmuch as its accounting system was not established on such a basis that individual prices could readily be determined, and the manpower which would be required to determine such individual prices could not be spared from more important tasks contributing directly to the prosecution of the war.

Faced with the lack of any indication of costs from the British Government in the great majority of items being obtained, our forces concluded that a separate pricing or estimating of value by them would call for a large staff of price analysts whose services could not be spared from the war effort. Moreover, it was felt that even a large force of price analysts would face grave difficulties in arriving at fair estimates of value, due to the dissimilarity of foreign and United States items, the great variety of items involved, etc.

Accordingly, in October 1942, the instructions to our forces overseas with respect to the reporting and valuation of reciprocal aid were revised to permit the recording of aid in terms of a description of items received, in order to permit subsequent evaluation in Washington when that became necessary. Any values furnished by foreign governments, however, were to continue to be reported to Washington. Many reports of this nature have been received and are on file in the Foreign Economic Administration, but up to the present time no action has been taken to evaluate them, as it is felt that any evaluation at the present time would be purely arbitrary and subject to receipt of further information from foreign governments which may not be available until after the war.

As public interest in reverse lend-lease increased during subsequent months, and because of the desire of the Congress and interested Government agencies to obtain, if possible, some monetary measurement of the volume and scope of reciprocal aid, it became apparent that some attempt would have to

be made to arrive at a reasonable compromise. Therefore, in June and August 1943, the Army and Navy issued instructions to their overseas commanders requiring that reciprocal aid be reported in the following manner:

1. Values would be requested from responsible foreign government representatives, the values so received representing unilateral estimates by the foreign government to which the United States Government does not necessarily agree;

2. Any values received from foreign government representatives would not be disputed, but would be reviewed by United States military and naval personnel; and if they were not in agreement with the valuations furnished by foreign governments, they were to submit their own estimate of value for the information of the United States Government; and

3. In the absence of any values furnished by foreign governments, United States military and naval personnel were to arrive at their own estimate of value based upon local cost, market value, or any other reasonable basis.

Simultaneously, negotiations were entered into with the British Government with a view to inducing it to alter its policy on the reporting of reverse lend-lease aid which it has supplied. As a result of these negotiations, the British issued on November 11, 1943, a white paper indicating an estimate (stated to be incomplete) of their out-of-pocket expenditures up to June 30, 1943, in furnishing reciprocal aid to the United States forces. The British Government agreed further that it would thereafter provide quarterly statements of its expenditures for reciprocal aid rendered to United States forces in the United Kingdom. These statements were to reflect approximately 50 major categories and more than 300 subcategories of goods and services. This statement was not to be based in each case on individual prices, which it was stated were not available, but was to be prepared from the figures currently available under the British accounting system and was to represent the best estimates possible by the British Government of the reciprocal aid extended by them to United States forces.

It has been agreed that the reports described will be accepted as unilateral estimates of the British Government, and that the American Government will not be deemed either to agree to them or to be committed by them. While it has been agreed that itemized pricing of individual items may

represent an unwarranted expenditure of manpower at this time, the United States Government has reserved the right to request that the British Government supply itemized prices at a later date when the required expenditure of manpower would not interfere with the war effort.

Except for shipping services, the British Government's statements apply only to supplies furnished and services rendered within the United Kingdom. In addition, the United Kingdom is extending aid to American forces from its colonies in various parts of the world. Full and complete records of the value of the aid transferred in these areas may never be available, particularly for transfers which have occurred during combat. Insofar as the records are available, reports containing monetary expenditures are now being prepared by the British Government. In the meantime, reports are being made by United States forces in those areas.

The Governments of Australia and New Zealand are also periodically making available statements of the cost to them of providing reverse lend-lease assistance. The problems of reporting encountered in these areas are not so great as in the United Kingdom. For example, in New Zealand all United States supply functions have been centralized in a Joint Purchasing Board on which the Army, Navy, and Marine Corps are represented. When goods or services are obtained, the armed forces certify their receipt and pass the vouchers back to the appropriate New Zealand Government department for payment, and such records then provide a statement of expenditures made. In the case of works projects constructed for us by the New Zealand Government, however, there are the difficulties encountered in assessing post-war values and in allocating expenditures for works jointly constructed by American and foreign forces.

In all other areas records of reverse lend-lease received are obtained from the armed forces. Until July 1943, these reports usually were confined to physical descriptions in quantities of goods and services received, to provide a basis for subsequent valuation if such should be necessary. Since July 1943, however, our forces have been endeavoring to obtain estimates of expenditures for all aid received. While these estimates will be of considerable assistance in the future determination of lend-lease benefits, they do not represent a statement by the foreign government of its costs, and provide only a unilateral estimate by United States military or naval personnel operating under difficult conditions.

The need for uniformity in the reporting and valuation of reciprocal aid has been recognized by the armed forces. Because of the complexities of the problem, particularly in combat areas, it has not yet been possible to arrive at a system which is entirely uniform or acceptable. Efforts are constantly being made, however, to improve both the system used and the reports submitted.

A comment by the Navy Department on reciprocal aid would be of interest to the committee:

"The Navy Department reports to the F. E. A. (formerly the Lend-Lease Administration) monthly all reverse lend-lease or reciprocal aid which has been reported. Reports of such reciprocal aid to the Navy Department are admittedly deficient for various reasons. Vigorous steps have been and are being taken to correct this deficiency and these steps are showing results. Some of the reasons why such reports have not been adequate are as follows: Much of the reciprocal aid has been received on the active fighting fronts where the commanding officers have neither the time nor the facilities to maintain the necessary records and to render the corresponding reports. Reciprocal aid has never been distinctly defined and conceptions



of what constitutes reciprocal aid and what constitutes joint military operations vary considerably. Some reciprocal aid is difficult if not impossible to evaluate in terms of dollars. The United Kingdom has been very reluctant to place a price on any reciprocal aid, although the aid has been offered freely. In cases where no value or cost is assigned by the foreign government, but quantities and the nature of services have been reported, it is impossible for the Navy Department to assign any significant valuation. Not only do questions of exchange arise, but it is impossible for our officers to estimate the real cost to the foreign government. Furthermore, even if the approximate cost to the foreign government were known, the question arises as to whether that is the real value, or whether it should be the corresponding value of a similar article or service in this country or if supplied from this country. Because of these difficulties the instructions have been changed several times.

"At present the instructions require our officers to demand a price figure from the foreign government and to submit that figure, together with his own comment, if any. If no price can be obtained from the foreign government, our officers are instructed to submit their own best estimate, together with information as to upon what the estimate was based and the rate of exchange used. Obviously none of these methods of evaluation is entirely satisfactory, but the method by which the foreign government states the cost to it of the aid rendered appears to be the most desirable and is comparable to our own method of evaluating direct lend-lease. Reports on this basis are now being regularly received from Australia and New Zealand and the British Admiralty is being urged to adopt a similar policy."

There is much to be done to develop adequate information on reverse lend-lease. The final story, however, will not be possible until after the cessation of hostilities.

#### BOARD OF ECONOMIC WARFARE

The Economic Defense Board was established by Executive Order 8839 under date of July 30, 1941, for the purpose of developing and coordinating policies, plans, and programs designed to protect and strengthen the international economic relations of the United States in the interest of national defense. The name was changed to the Board of Economic Warfare by Executive Order 8982, dated December 17, 1941. Executive Order 9361 of July 15, 1943, established within the Office for Emergency Management an Office of Economic Warfare, and the Director assumed the functions, powers, and duties of the Board of Economic Warfare, which was terminated by the same order. By Executive Order 9380 of September 25, 1943, the Office of Economic Warfare was consolidated into the Foreign Economic Administration, established by the same order.

The Board of Economic Warfare as such made no purchases. However, upon directives from the War Production Board for the procurement of strategic materials it conducted preliminary negotiations and issued directives to subsidiary corporations of the Reconstruction Finance Corporation to execute contracts that would provide the necessary materials and supplies.

As a result of Executive Orders 9361 and 9385, all foreign procurement contracts then in existence were transferred to the Foreign Economic Administration and are being processed through the United States Commercial Company. Likewise, all new foreign procurement contracts are being negotiated in the name of that company.

The purchases are made through the subsidiary corporations of the Reconstruction Finance Corporation, and are incorporated in the figures reported for those organizations.

#### COORDINATOR OF INTER-AMERICAN AFFAIRS

The Office of the Coordinator of Inter-American Affairs was set up by order of the Council of National Defense on August 16, 1940, and by Executive Order 8840 of July 30, 1941, was established within the Office for Emergency Management, for the purpose, among others, of furthering the national defense and strengthening the bonds between the nations of the Western Hemisphere. Expenditures are made from direct appropriations and transfers or allocations from the Office for Emergency Management and the Emergency Fund for the President. No lend-lease funds are involved.

Expenditures made in Latin-American countries to December 31, 1943, amounted to \$24,038,243, as follows (see statement attached as exhibit V):

Loans.....	\$363,818
Grants.....	31,985
Health and sanitation.....	9,535,605
Food supply.....	2,407,797
Coordination committees.....	3,739,986
Transportation.....	1,500,536
Newsprint shipping subsidy.....	428,383
Emergency operations.....	1,379,162
Technical and other assistance (including administrative expenses).....	4,650,971
Total.....	24,038,243

A brief statement on each of the larger items follows:

**Loans:** There have been only two loan agreements, both of which involve financing of the purchase of equipment. The amounts of the agreements total \$649,187 and \$360,803, respectively. Advances have totaled \$102,522 and \$261,296, respectively. Repayments totaling \$18,959.02 have been made under the first agreement.

**Health and sanitation:** The objectives of these programs are (a) to improve health conditions in strategic areas particularly with relation to the requirements of our armed forces and those of our other American allies; (b) to make possible increased production of strategic materials in areas where bad health conditions exist; (c) to raise the general standard of public health practices; and (d) to demonstrate, by carrying out an action program beneficial to all classes of people, that this Government is vitally interested in the welfare of the peoples of the other American republics, thereby helping to obtain an effective realization of this Government's program of hemisphere solidarity. The programs include malaria control, environmental sanitation, improvement of water supply, construction of sewage systems, construction and equipping of hospitals and health centers, control of plague, leprosy, and communicable diseases, medical care of migrants and workers engaged in the production of strategic materials, and the training of doctors, sanitary engineers, hospital administrators, nurses, and other national personnel.

**Food supply:** The objectives are (a) to stimulate the production of foodstuffs in areas where the demand for food has been increased because of large concentrations of troops and war vessels; (b) to provide sufficient quantities of foodstuffs for workers engaged in the procurement of strategic materials; and (c) to produce foodstuffs in areas which could no longer be supplied by shipments from other areas because of the absence of sufficient shipping. These programs involve technical assistance for the increase and improvement of production of foodstuffs and fiber products; procurement and distribution of supplies and equipment, such as hand tools, insecticides and fungicides, seed and plants; improvement of storage and processing facilities; development of irrigation; and training in practical agricultural methods.

**Coordination committees:** The expenditures under this head represent funds made available to committees located in the other American republics which have been organized by United States citizens of long residence in those countries. They work in close relationship with the Office of the Coordinator and the United States embassies and consulates in carrying out an information program the purpose of which is to spread a wider knowledge of this country in the other Americas. They arrange for the distribution of visual and press materials, for local radio programs, for the distribution of nontheatrical motion-picture films, and for small projects in the educational field.

**Transportation:** The expenditures reported under this category relate to the obligations assumed under notes exchanged on November 18, 1942, between the Government of the United States and the Government of Mexico, whereby it was agreed that both nations would collaborate in the rehabilitation of certain key lines of the Mexican National Railways. United States Government agencies had purchased in Mexico large quantities of strategic materials needed for direct war use. Conditions had so affected off-shore shipping that the Mexican National Railways were called upon to transport all of these vitally needed materials, as well as supplies and equipment shipped from the United States to war installations south of Mexico. The resulting traffic burden greatly exceeded peacetime traffic loads and many changes and improvements were essential to continued operation of the railways. Each government agreed to furnish a proportionate part of the material and equipment required, the Mexican Government and the Mexican National Railways agreed to direct their operating facilities toward the fullest realization of the rehabilitation program, while the United States Government further agreed to furnish necessary technical assistance (trained mechanical, track, and transportation technicians).

The United States Railway Mission in Mexico was created to implement this agreement. Although both governments agreed to contribute material and equipment, the major contribution by the United States has been in technical assistance. Continued contribution by the Mission will consist largely of technical advice and supervision of various educational programs designed to impart knowledge and understanding of modern practices in railroad operation and maintenance to the Mexican officials and employees.

**Newsprint shipping subsidy:** These expenditures apply to payments made to carriers for the difference between the established rate for newsprint and the rate at which the carriers would agree to ship newsprint to the other American republics. The ocean freight rate was reduced in 1940 to \$9.84 per ton by the United States Government. With the outbreak of war and the consequent scarcity of shipping space, the available space was naturally utilized for commodities carrying higher rates. While the requirement for Central and South America is only about 2 percent of United States consumption, the situation, due to the lack of shipping, was relatively much more serious. It was to the interest of this country to help keep friendly newspapers in business. The most satisfactory method seemed to be the payment of a shipping subsidy to bring newsprint up on a level with other commodities. This method was chosen, rather than an increase in the shipping rate, because of the economic condition of the newspapers, which had already been severely hit by the drop in advertising revenue due to the war.

**Emergency operations:** Expenditures under this category relate to the following:

1. Payments under a contract with the Ecuadorian Development Corporation for the



rehabilitation of the province of El Oro which was devastated during the Peruvian-Ecuadorian boundary dispute. The program was developed under the direction of the Department of State and the Office of the Coordinator with the approval of the Bureau of the Budget, and covers such work as construction, repair and extension of dispensaries and hospitals, renovation, and reclamation projects to facilitate shipping operations, and agricultural programs.

2. A program to alleviate a serious unemployment situation in Honduras created by the cessation of banana exports due to the lack of shipping during the latter part of 1942. The program, arranged by the Department of State and the Office of the Coordinator, in cooperation with the Honduran Government, upon the urgent request of the United States Embassy in Honduras, covered the repair and reconstruction of sections of the highway between Potrerillos and the Lake Yojea area. The objectives were to provide immediately useful employment for temporarily unemployed laborers, to contribute to the improvement of existing means of inter-ocean transportation, and to materially benefit agricultural and other activities in the interior of the country.

Technical and other assistance (including administrative expenses): These expenditures apply in general to personnel of the Office of the Coordinator and its corporations stationed outside of the United States who render technical assistance, advice, and aid as required under the cooperative agreements or notes between this Government and the local governments for health and sanitation, food supply, emergency operations, and transportation programs, regardless of whether or not such programs are carried out directly or through cooperative services established within the framework of the local governments.

In addition to the expenditures made in Latin America, additional expenditures have been made in the United States for similar purposes; a brief break-down thereof being as follows:

Grants:	
Trade and commercial.....	\$963,017
Educational, scientific, and cultural.....	929,225
United States activities.....	532,575
Research.....	145,455
Health and sanitation.....	6,840
Food supply.....	30,100
General miscellaneous.....	35,830
Total.....	2,643,042

Current expenses:	
Administrative expenses.....	7,290,474
Confidential.....	400,000
Trade and commercial.....	610,000
Motion pictures.....	3,595,000
Press.....	2,875,000
Radio.....	4,341,000
Educational, scientific, and cultural.....	301,000
United States activities.....	380,000
Research.....	155,000
Health and sanitation.....	110,000
General.....	75,000
Total.....	20,132,474
Transportation.....	300,000
Newsprint shipping subsidy.....	926,267
Grand total.....	24,001,783

#### RECONSTRUCTION FINANCE CORPORATION (AND SUBSIDIARY OR AFFILIATED ORGANIZATIONS)

The report of the Reconstruction Finance Corporation covers the activities of the Corporation itself and those of the following corporations: Metals Reserve Company, Defense Supplies Corporation, Defense Plant Corporation, Rubber Reserve Corporation, Rubber Development Corporation, United States Commercial Company.

For the last two corporations listed the reports were submitted by the Reconstruction

Finance Corporation in its capacity as fiscal agent.

Total expenditures made by the listed corporations for the fiscal years 1941, 1942, 1943, and for 8 months of the fiscal year 1944, totaled \$2,795,324,542.13, as follows:

Loans <sup>1</sup> .....	\$406,518,105.59
Investments.....	4,099,362.35
Construction of facilities.....	44,662,669.71
Purchases.....	2,174,019,517.93
Current expenses.....	3,810,543.06
Other aid or expenditures <sup>2</sup> .....	162,214,343.49

Total..... 2,795,324,542.13

<sup>1</sup> Repayments on loans have been made in the amount of \$61,895,437.61, leaving the outstanding loan balance as \$344,622,667.98.

<sup>2</sup> Represents principally advance payments on contracts and will ultimately be transferred to one or more of the other categories listed above.

From a geographical standpoint, the expenditures were made as follows:

British Empire.....	\$1,054,355,021.38
Latin America.....	1,236,921,865.88
French.....	30,003,736.42
Netherlands.....	158,315,238.50
Portugal.....	21,593,521.45
Other countries.....	294,135,158.50

Total..... 2,795,324,542.13

(A chart showing a break-down of the above expenditures is attached as "Exhibit VI.")

#### EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington was created in 1934 for the purpose of aiding in the financing and facilitating of exports and imports and the exchange of commodities between the United States and other countries. It is authorized to have \$700,000,000 of loans outstanding at any one time. The Congress increased the limit from \$200,000,000 to the present \$700,000,000 in September of 1940 to enable the bank to make loans to assist in the development of the resources, the stabilization of the economies and the orderly marketing of the products of the countries of the Western Hemisphere. Although its operations in behalf of our foreign trade have been world-wide, circumstances have restricted them since the war almost entirely to the Western Hemisphere and particularly to the making of such loans as will develop resources vital to the war effort.

A summary of the operations of the bank since its creation on February 12, 1934, through March 31, 1944, is as follows:

Commitments.....	\$1,185,763,080.10
Commitments canceled or expired.....	330,879,004.09
Net commitments.....	854,884,076.01

Location	Construction of facilities	Purchases	Current expenses	Total
British Empire.....	\$593,783,367	\$695,618,989	\$609,013,094	\$1,898,415,450
Latin America.....	141,542,706	29,529,641	16,698,502	187,770,849
Netherlands.....	12,517,000	5,338,000	16,556,681	34,411,681
French.....	3,458,964			3,458,964
Other countries.....	143,804,831	1,605,339	824,883,180	970,293,350
Total.....	895,106,868	732,091,969	1,467,151,457	3,094,350,294

These figures represent the best available information and must be considered to be on the conservative side, as no attempt has been made by the War Department for the purpose of this first report to secure information from overseas theaters. The Department is frank in stating that, due to its far-flung activities and the need to eliminate reporting from overseas theater commanders as much as possible, there are gaps in the information on the records. Steps are constantly being taken, however, to improve the records and reports, and it is expected that as future reports are submitted additional information

Commitments not yet disbursed.....	\$407,253,763.80
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Amount disbursed.....	447,630,312.21
Amount repaid.....	233,755,432.58

Amount of loans outstanding.....	213,874,879.63
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On a geographical basis the outstanding loans are as follows:

Latin America.....	\$105,433,890.26
North America.....	12,350,000.00
Africa.....	65,000.00
Asia.....	56,877,839.24
Europe.....	27,363,445.95
Other countries.....	11,784,704.18

Total..... 213,874,879.63

There is attached hereto, as exhibit VII, a statement showing the loans and commitments by countries, the details of which by individual loans are on file in the Appropriations Committee.

There is, of course, the possibility that some loans may not be collected in full. The history of the bank's operations, however, indicate that uncollectible items will be in an almost negligible amount as compared with its operations, and that it will consistently show a profit. The bank has experienced only three defaults since the beginning of its operations in 1934, as follows:

One related to a balance of \$3,491.96 due from a Polish textile firm which had purchased raw cotton from a United States exporter. Against this account a reserve has been set up.

A second, which was in the amount of \$46,530.46, resulted from the impossibility of converting Spanish pesetas into dollars during and immediately following the civil war in Spain. That account was subsequently liquidated in full, both principal and interest.

The third account, in the amount of \$178,725.24, is overdue from a United States import firm now arranging a composition of creditors, but it is believed that collateral held by the bank is sufficient to effect eventually full repayment or, at least, a substantial liquidation.

Operations of the bank to March 31, 1944, have resulted in a profit of \$32,572,628.19 after the payment of all administrative expenses and the establishment of a reserve for contingencies. Out of such profit the bank has paid dividends on its preferred stock to June 30, 1943, in a total amount of \$13,075,178.04, leaving a net undivided profit in the bank of \$19,497,450.15.

#### WAR DEPARTMENT

Expenditures abroad as reported by the War Department as of October 31, 1943, total \$3,094,350,294, as follows:

will be available. (A more detailed break-down of the above expenditures appears in the chart attached hereto, marked "Exhibit VIII.")

In addition to the expenditures reported above, there follows a statement of supplies distributed to civilians in liberated areas by the Allied Military Government. This statement is based on information available in this country and no break-down by recipient countries is available at this time. The statement is made as of December 22, 1943. The dollar values represent costs to the War Department delivered at a War Department



depot, and do not include transportation to the port, loading costs, ocean shipping, and other handling charges. The report does not include aid furnished by theater commanders from United States Army stocks, as data on such aid are not available in the continental United States. No determination has been made of the extent to which the recipient countries will reimburse the United States for supplies of this type furnished to them.

*Expenditures made for supplies and A. M. G. distribution to civilians in liberated areas, Dec. 22, 1943<sup>1</sup>*

Item	Value of items contracted for	Values of deliveries made against contracts, plus value of items taken from Army stocks to fill requisitions
Food.....	\$11,944,722	\$14,913,425
Hard fuels (coal).....	1,045,312	1,045,312
Medical supplies.....	11,251,936	7,304,534
Miscellaneous.....	979,140	\$19,656
Petroleum products.....	( <sup>2</sup> )	( <sup>3</sup> )
Sanitary supplies.....	6,572,055	2,007,766
Total.....	31,793,165	26,190,693

<sup>1</sup> Dollar value shown reflects only those expenditures made for the specific purpose of civilian supplies. It is known, however, that certain materials have been transferred from Army stocks in the theater and used for civilian purposes. Although the theater commander has been instructed to report transfers of this nature, specific information is not available at this time.

<sup>2</sup> This coal was procured to supply Italy, Sardinia, and Sicily. However, the United Kingdom has been supplying the coal, and the coal procured in this country (except for about 20,000 tons withdrawn to meet an emergency caused by the strike and not yet replaced) has been held in reserve for emergencies. It should be noted further that the coal now being supplied to Italy, Sicily, and Sardinia is used to supply both military and civilian needs. It is almost impossible to distinguish between these needs.

<sup>3</sup> Petroleum for civilian use is issued from military stocks in the theater, and no information is available at this time as to how much petroleum has been used for civilian purposes. However, originally, \$11,454,369 worth of petroleum products were estimated as a requirement for Italy, Sardinia, Sicily, and north Africa to last for a period of 12 months.

#### NAVY DEPARTMENT

Expenditures abroad as reported by the Navy Department as of October 31, 1943, total \$565,570,999, as follows:

Location	Construction of facilities	Current expenses	Total
British Empire.....	\$253,309,600	\$84,615,120	\$337,924,720
Latin America.....	20,486,874	42,274,626	62,761,500
Netherlands.....	2,425,300	135,560	2,560,860
French.....	13,368,450	1,156,144	14,524,594
Other countries.....	2,518,640	8,361,109	10,879,749
Southwest Pacific.....	136,885,000	34,576	136,919,576
Total.....	428,993,864	136,577,135	565,570,999

(A more detailed break-down of these expenditures appears in the chart attached hereto, marked "Exhibit IX.")

These figures are very conservative, as will be seen from the following comments of the Navy Department:

#### "CONSTRUCTION OF FACILITIES"

"(a) While some of the items of construction may be regarded as more or less permanent, that is so only where it was essential in order to fulfill its war purpose. The policy of making all facilities of the most temporary nature possible has been rigidly followed.

"(b) The attached list describes locations in only general terms and is not specific as to actual installations. This is primarily for reasons of military security, but also because of the shifting nature of the picture. For example, much of the base material shipped to

Australia never arrived, due to loss en route or diversion. On the other hand, much of it was never intended to stay in Australia, but was sent there only en route elsewhere. No rigid conclusions should therefore be drawn concerning expenditures shown against any individual nation, as they may not be at all significant.

"(c) These figures are only approximate, as in many cases the actual expenditures are not definitely known. Not included and not obtainable are the amounts expended in theaters of war for local labor or local purchases of material unless expended by a disbursing officer stationed on shore (i. e., not in a ship or Marine Corps organization unit). The value of labor and subsistence of the naval construction battalions is also not included.

#### "PURCHASES AND CURRENT EXPENSES"

"(a) It is impossible to include expenditures by disbursing officers on board ship by country without examining every voucher. The vouchers run into the millions. The accounts are kept by ship; not by where the ship may have been. The same is true of the Coast Guard. It is also true of the Marine Corps, whose accounts are kept by organization, without reference to where the organization may be. The net effect of omitting these figures, while problematical, is probably small. Ships and organizations do spend some of their pay abroad; they do buy some supplies abroad; they do hire some civilians abroad. However, a large part of the military pay is sent home or spent on board or in canteens, etc., and most of the supplies are shipped out from the United States or furnished locally under reciprocal aid.

"(b) Navy disbursing officers are required to report quarterly and are allowed 20 days after the close of the quarter to prepare and mail their returns. Under these conditions, with disbursing officers all over the world, and with communications hampered by a global war, the record is never reasonably complete under 6 months and may be not wholly complete after 1 year. For that reason, in the following table, all figures for the fiscal year 1944 are estimates only, and those for the fiscal year 1943 may be amended. Scattered reports, for different quarters, are arriving constantly at the Navy Department, and a monthly compilation would show some change in the figures each month. It is clear, however, that substantial changes will be indicated only quarterly or less frequently."

#### SUMMARY

There is submitted as exhibit X a consolidated summary of lend-lease aid from March 11, 1941, through March 31, 1944, and Government expenditures abroad for the fiscal years 1941, 1942, 1943, and for that portion of the fiscal year 1944 for which the different agencies had figures available, ranging from 4 to 8 months. It shows a total figure of \$30,362,687,362, distributed as follows:

Lend-lease aid.....	\$21,794,237,819
Loans.....	854,423,225
Grants.....	31,985
Investments.....	4,099,362
Construction of facilities.....	1,465,842,209
Purchases.....	4,172,856,091
Current expenses.....	1,638,872,748
Other aid.....	432,323,923

Total..... 30,362,687,362

#### Geographically, the distribution is:

British Empire.....	\$19,700,297,674
Russia.....	4,214,921,449
Latin America.....	2,327,378,789
China.....	920,349,451
Other countries and general.....	3,199,739,999
Total.....	30,362,687,362

#### RECOMMENDATIONS

The statement, particularly as regards expenditures abroad, is not complete, and the amounts are no doubt understated, but it is the best that could be prepared from available information. It demonstrates the need for a central agency to coordinate all efforts to secure definite and reliable information of this nature for the Congress, and shows that to secure such information will require considerable time and labor.

The President has answered the question of the central agency by directing, in accordance with the recommendation of the interdepartmental committee, that a clearinghouse be established in the Foreign Economic Administration. Not only is this action endorsed, but it is strongly recommended that it begin to function without delay, so that at the earliest possible date complete and detailed reports may be made to the Appropriations Committee and to the Senate on a quarterly basis.

It is further recommended that the Appropriations Committee agree to the request of the Administrator of the Foreign Economic Administration that a representative of the investigative staff of the Appropriations Committee serve on the advisory interdepartmental committee which will assist the director of the clearinghouse. In this way, not only will the desires of the Appropriations Committee be kept currently before the advisory committee and the director of the clearinghouse, but also the committee will be kept currently informed as to the progress being made by the clearinghouse.

Finally, the reports submitted fully justify the findings of the interdepartmental committee, and their recommendations are specifically endorsed and passed on for the earnest consideration of the advisory interdepartmental committee to assist the director of the clearinghouse. These recommendations are:

#### "LEND-LEASE AND REVERSE LEND-LEASE"

"1. That the agencies devise means of reducing to a minimum the time lag which now exists between the actual transfer of goods and services and the recording and reporting of such transactions.

"2. That in the future all transfers be recorded not only to the account of the government which originally received for the materials or services; but, also, so far as possible to the account of the government which is the ultimate recipient; and that the lend-lease governments be requested to render a cumulative statement of all retransfers made to date with provision for periodic statements in the future.

"3. That the Foreign Economic Administration, with the advice and approval of the agencies concerned, develop greater uniformity in the statistical reporting of all lend-lease transactions, involving

"(a) a standardized classification system for use in the operating agencies to account for all commodities and all types of transactions; and

"(b) a revision in the procedures for reporting statistics to bring about a uniform presentation of all data in terms of dollars as well as units.

"4. That, in recording lend-lease transactions, procuring agencies should take the following steps under general principles approved by the Foreign Economic Administration:

"(a) The establishment wherever possible of standard prices for articles to be transferred; and

"(b) for items of a nature not susceptible of standard pricing, establishment of a standard formula to arrive at prices which will include all elements of cost.

"5. That no attempt be made at this time to reprice past transactions, as the effort in-



volved would not justify the results to be obtained.

"6. That the present system of reporting losses be extended to include items under United States accountability, intended for transfer on arrival overseas, which are lost at sea; and that efforts be made to improve reports of losses incurred in transit within the United States.

"7. That the present inventory reports submitted by procuring agencies to the Foreign Economic Administration be put on a uniform basis; that the inventory records be extended, either by the procuring agencies or War Shipping Administration, to give complete reports of inventory in transit, in terms of dollars as well as weights; and that uniform inventories of lend-lease goods held by United States agencies overseas be required on a periodic basis.

"8. That so far as possible uniform reporting principles be developed by United States agencies in the major areas in which reverse lend-lease is received, in order that reports when submitted may be more comparable and consistent, and uniformity of reporting forms and classification and valuation principles may be achieved.

"9. That the Foreign Economic Administration, with advice and approval of the agencies concerned, devise a standardized formula for use by the operating agencies in assessing and recording repossession charges; and that repossession accounts be revised to include all expenses incurred by the United States in cases where the foreign government is responsible for cancellation of contract.

"10. That the present system of recording, reporting, and billing reimbursable lend-lease transactions be revised by the Foreign Economic Administration to provide for a uniform method of recording and reporting and uniform principles for billing foreign governments; and that for billing purposes, procuring agencies whose records are now unsatisfactory be required to submit revised cumulative statements of reimbursable lend-lease transactions.

"11. That provision be made to obtain from foreign governments current records showing location and use of certain durable goods received from the United States, and that on cessation of hostilities an inventory record be rendered of all consumable and semiconsumable items on hand received from the United States. (See also recommendation 17.)

"12. That no attempt be made to evaluate defense information transmitted to or by foreign governments, but that a strict accounting be maintained of information involving patent rights.

#### "MILITARY BASES AND MILITARY INSTALLATIONS ABROAD

"13. Although the present records do not give complete data concerning expenditures made for the construction or equipment of bases, the committee recommended—

"That no major changes pertaining to financial recording and reporting of installations abroad be required of the War and Navy Departments during the war because a revision that would yield the information desired would require too great an additional accounting burden for military personnel, both in the field and in Washington.

"14. That the War and Navy Departments establish statistical and appraisal inventories of installations abroad similar to those already initiated by the Foreign Projects Unit of the Army Air Forces.

#### "INVESTMENT IN PRODUCTIVE FACILITIES RELATED TO THE PROCUREMENT OF FOOD AND MATERIALS ABROAD

"15. That where master accounts are maintained in Washington with the supporting detail in field offices, regular periodic accountings and reconciliations from the field be required.

#### "INVESTMENT IN OTHER INSTALLATIONS OR PRODUCTIVE FACILITIES ABROAD

"16. That there be established a list of items to be regarded as durable goods.

"17. That an inventory of certain durable goods transferred to foreign countries be compiled from the records now available in all agencies. (For transfer of items under lend-lease arrangements, see recommendation 11.)

#### "PROCUREMENT OF FOOD AND MATERIALS ABROAD

"18. That the procuring agencies be required to install and maintain records which will make readily available commodity purchase data in commodity units and dollar value by time period, by commodity, and by country of commodity origin.

#### "LOANS AND FINANCIAL AID TO FOREIGN GOVERNMENTS AND PRIVATE ENTITIES IN FOREIGN COUNTRIES

"The committee found the present records on loans to foreign governments and private entities, and the statements of financial aid rendered to foreign governments, to be adequate and no changes were recommended.

"It was the consensus of the committee that economic information concerning governmental cash expenditures abroad was of sufficient current and future importance to require the preparation of separate periodic reports. The committee therefore recommended:

"19. That arrangements be made to have each department, establishment, or agency of the Federal Government, including Government corporations, which makes cash expenditures abroad prepare quarterly reports of all such expenditures for submittal to a central agency.

"20. That the proposed reports segregate expenditures under predetermined classifications for each country by character and purpose, and by a limited object classification."

Respectfully submitted.

JOHN F. FEENEY,  
HAROLD E. MERRICK,  
THOMAS J. SCOTT,  
EARL W. COOPER,  
*Investigative Staff.*

Mr. CONNALLY. Mr. President, I wish to thank the Senator from Tennessee for his discussion of this matter. It seems to me that in view of his statement, which will be published in the RECORD tonight, and in view of the fact that we shall have a session of the Senate tomorrow, it is desirable now to recess until tomorrow in order that Senators may have ample opportunity in the meantime to study the report. I do not apprehend any long involved debate on the question.

Mr. WHITE. Mr. President, before the Senator from Texas moves a recess, was it the Senator's intention to move that the Senate proceed to the consideration of executive business?

Mr. CONNALLY. If there is an executive calendar, I think it should be disposed of.

AUSTIN L. TIERNEY

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate a message from the House of Representatives returning to the Senate in compliance with its request, the bill (S. 176) for the relief of Austin L. Tierney, together with the accompanying papers; and also the amendment of the House of Representatives to Senate bill 176, which was, to strike out all after the enacting clause and insert:

That Private Law No. 99, Seventy-fourth Congress, be, and the same is, amended to read as follows:

"That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Austin L. Tierney, who served as a fireman third class, United States Navy, shall be held and considered to have been honorably discharged from the naval service of the United States as a fireman third class, on April 25, 1918: *Provided*, That no compensation, pension, or other benefits except mileage at the time of discharge, 4 months' active service pay lost after absence from duty, and adjusted compensation benefits shall be held to accrue to Austin L. Tierney by reason of this act for any period prior to its passage."

Mr. WALSH of Massachusetts. Mr. President, this bill was returned from the other House upon request by the Senate after the Senate had appointed conferees to meet with conferees to be appointed by the House to consider the amendment which the House had adopted to the bill.

I have heretofore given notice that I would move a reconsideration of the former action of the Senate. I now move that the Senate reconsider the vote by which it disagreed to the House amendment and asked a conference with the House thereon.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts [Mr. WALSH].

The motion was agreed to.

Mr. WALSH of Massachusetts. I now move that the Senate concur in the House amendment.

The motion was agreed to.

#### EXECUTIVE SESSION

Mr. CONNALLY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations in the Coast Guard, which was referred to the Committee on Commerce.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

#### POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. CONNALLY. I ask that the nominations of postmasters be confirmed en bloc, and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc; and, without objection, the President will be notified







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued May 9, 1944, for actions of Monday, May 8, 1944)

(For staff of the Department only)

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SENATE

1. LEND-LEASE. Passed, 63-1, H. R. 4254, to continue the Lend-Lease Act for 1 year, with a Vandenberg, Mich., amendment limiting settlement powers (pp. 4177-91).
2. FORESTRY. Agriculture and Forestry Committee reported without amendment H. R. 3848, to increase from \$3,000,000 to \$6,500,000 the total appropriation authorization for the national survey of forest resources (S. Rept. 863)(p. 4174).
3. PRICE CONTROL. Sen. Murray, Mont., submitted an amendment which he and Sen. Wherry, Nebr., intend to propose to the price-control bill, together with an explanatory statement, to make additional provision for court review of OPA orders (pp. 4174-5).
4. FARM-MACHINERY RATIONING. Sen. Capper, Kans., criticized the handling of farm-machinery rationing and inserted a letter from a farmer on this subject (pp. 4175-6).
5. RECLAMATION. Irrigation and Reclamation Committee reported with amendments H. R. 3570, to provide as an emergency war project for the partial construction of the Hungry Horse Dam, Mont. (S. Rept. 862), and S. 1782, to amend the Reclamation Project Act of 1939 so as to extend the time in which amendatory contracts may be made (S. Rept. 859) (p. 4174).
6. BANKING AND CURRENCY. At the request of Sen. McCarran, Nev., a pamphlet by F. H. Brownell, "Hard Money," was ordered printed as S. Doc. 192 (p. 4175).

HOUSE

7. FLOOD CONTROL. Began and concluded general debate on H. R. 4485, the Whittington flood-control bill (pp. 4199-234). Rep. Whittington, Miss., described the bill's provisions (pp. 4204-12). Rep. Case, S. Dak., discussed flood damage to farm lands near the Missouri River (pp. 4226-7). Rep. Fisher, Tex., commended the soil-conservation practices advocated by SCS (pp. 4231-2). For the bill's provisions, see Digest 57.

8. INDEPENDENT OFFICES APPROPRIATION BILL. Reps. Woodrum, Fitzpatrick, Starnes, Hendricks, Wigglesworth, Dirksen, and Case were appointed House conferees on this bill, H. R. 4070 (p. 4194). Senate conferees were appointed Mar. 23.
9. TRANSPORTATION. Agreed to the conference report on H. R. 3261, providing for return to private ownership of Great Lakes vessels of 1,000 tons or less (p. 4194). This bill will now be sent to the President.
10. PERSONNEL. Agreed, without amendment, to H. Res. 535, providing \$50,000 additional for the investigations of the House Civil Service Committee pursuant to H. Res. 16 (pp. 4194-6). This resolution had been reported by the Accounts Committee earlier in the day (p. 4252).
11. APPROPRIATIONS; FORESTRY. Received from the President a supplemental appropriation estimate of \$596,000 for the Forest Service in connection with administration of increased demands for forest timber, surveys and appraisals to further sales; and the recently enacted sustained-yield forest-management bill (H. Doc. 576). To Appropriations Committee. (p. 4252.)
12. SMALL BUSINESS. Received WPB's proposed legislation "to amend" the Small Business Mobilization Act. To Banking and Currency Committee. (p. 4252.)
13. PETROLEUM. Rep. Voorhis, Calif., discussed petroleum's part in America's future (pp. 3234-48).
14. LEGISLATIVE-EXECUTIVE RELATIONS. Rep. Kleberg, Tex., discussed "government" and the functions of the legislative and executive branches (pp. 4248-51).

#### BILLS INTRODUCED

15. SURPLUS PROPERTY; SOIL CONSERVATION. By Sen. Gillette, Iowa, S. 1895, to provide for making surplus property available for soil and water conservation work through the distribution thereof, by grant or loan, to public bodies organized under State laws. To Agriculture and Forestry Committee. (p. 4174.)
16. FISHERIES. By Rep. Welch, Calif., H. Con. Res. 84, expressing the sense of Congress that the Fish and Wildlife Service should develop the fish industry in Puerto Rico and the Virgin Islands. To Merchant Marine and Fisheries Committee. (p. 4252.)

#### ITEMS IN APPENDIX

17. CONSERVATION. Sen. Capper, Kans., inserted Secretary Wickard's speech, delivered before the American Wildlife Conference, on conservation of agricultural resources (pp. A2376-9).
18. RATIONING. Rep. Woodruff, Mich., inserted a Bay City (Mich.) Times article criticizing the recent relaxing of meat rationing in view of former rationing announcements (p. A2375).
19. FLOOD CONTROL. Rep. O'Mahoney, Wyo., inserted a St. Louis Post-Dispatch editorial discussing floods and their control in the Missouri River Basin by use of irrigation (p. A2370).  
Rep. Simpson, Ill., inserted a Pike County Republican and Calhoun News editorials urging flood control measures for the Mississippi River Valley (pp. A2380-1).



House, the executive council of the American Federation of Labor adopted a vigorous statement supporting the administration's action in the Montgomery Ward case; but by a divided vote. I personally do not know whether or not the representative mentioned in the New York Times was actually from the White House, but he was someone representing the administration. It is rather interesting to me to note that it was felt necessary to send a representative of the administration to stir up in the executive council of the American Federation of Labor support for the action in Chicago. It is pretty deplorable when we reach that level, the level of stirring up artificial support.

It is too solemn a moment in American history, it seems to me, for agents of the Commander in Chief or the administration to go about sowing division and political dissension among those who loyally maintain the home front. After all, Mr. President, this is not a New Deal war. This is an American war. Across the sea men are fighting in the American way. The boys over there are not offering up their lives for the New Deal. They are offering up their lives for America. In my judgment it was reprehensible to send representatives of the administration to develop support in the executive council of the American Federation of Labor; and I am very glad to see that not all of the members of the council bowed to the will of the administration lobby at the executive council meeting. Certain members of the executive council of the American Federation of Labor had the courage to stand up and be counted against the proposal. That is an indication to me that we have some independence left in America. Mr. William Hutcheson, the able president of the International Brotherhood of Carpenters, had the courage to stand up in opposition to this administration lobby and was joined by Mr. Bugnizet and Mr. Woll who also had the courage of their convictions and who stood up at the meeting of the executive council of the American Federation of Labor and placed their Americanism ahead of any partisan bias on this issue.

#### EXTENSION OF LEND-LEASE ACT

The Senate resumed consideration of the bill (H. R. 4254) to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended.

Mr. ELLENDER. Mr. President, on last Thursday, and also on last Friday, I requested that the consideration of House bill 4254 be postponed until today, so as to give Senators an opportunity to study the report which was filed by the distinguished senior Senator from Tennessee [Mr. McKellar], pertaining to lend-lease aid and Government expenditures abroad. Since Friday I have been studying the report very diligently and very carefully. I have also called on Mr. Feeney, who heads the investigative staff of the Appropriations Committee for some information in reference to how lease-lend is administered abroad and I want to say that all the data I have ex-

amined has shed no more light on the subject than the data I received last October, and in previous months. The report is vague and indefinite and deals mostly with recommendations that should have been the order of the day for the past 2 years. The situation of lease-lend in reverse is still shrouded in darkness and its full operation is still kept in secrecy. I believe it is incumbent on the members of the Appropriations Committee to look into the situation and to make every effort to determine what our country is receiving by way of reverse lend-lease and to set a definite policy as to what may be charged by our allies in reverse lend-lease.

I am not contending that while the war is being waged we ought to receive from Great Britain, from Russia, and from others of our allies a return in kind of the natural resources we are now dissipating because I realize that labor shortage and shipping facilities would not warrant such a course. It strikes me, however, very forcibly, that we should have some definite understanding now as to what our allies, particularly Great Britain, can charge for reverse lend-lease rather than have a misunderstanding when the war ends.

In the last few months Mr. Churchill has made speeches before the House of Commons which indicate, to my way of thinking, that the British are now preparing to handle their Empire activities as in the past, in other words, they contemplate carrying on their business after the war as it prevailed before the war, and obtain advantages from the various British Commonwealths and their colonies, to our disadvantage. In a speech made by him on November 9, 1943, delivered at the mayor's luncheon in London, he said:

Last year, in 1942, I thought it right to say that I did not consider it any part of my duty to liquidate the British Empire. I do not conceal from you that I hold the same opinion today.

Again he is quoted in the New York Times of April 22, 1944, in a news item by E. C. Daniel, with a London date line, April 21, 1944. The news item is as follows:

LONDON, April 21.—Prime Minister Churchill, who declared in 1942 that he had not become the King's First Minister to preside over the liquidation of the British Empire, asserted today that even in the drafting of the Atlantic Charter he had sought to safeguard the Empire's commercial system.

However, he said in an address to the House of Commons that there would be in the future a world structure for "all generous and free associations of a special character," such as the British Empire's political and commercial alliance.

Both a world order to keep peace and the great federal organization of the British Empire, he asserted, "may be so fashioned as to be but parts of one tremendous whole."

Standing before the House as a living example of the bulldog breed of empire builders and defenders, Mr. Churchill neither deprecated the empire nor apologized for it, but rather explored the possibilities of perpetuating and strengthening it. His speech concluded a 2-day debate on Empire policy intended as guidance for the government in the forthcoming conference of Dominion Prime Ministers here.

#### EMPIRE ISSUES AIRD

Although unable to commit the government to any policy in advance of that meeting, Mr. Churchill joined in the general airing of Empire problems, one of which he described as that of making the Empire more closely knit and "at the same time more closely associated with the United States."

Taking cognizance of fears that the policy of Empire trade preference might have been sacrificed to an understanding with the United States, Mr. Churchill disclosed that it was he who had asked for insertion of the words "with due respect for their existing obligations" in the Atlantic Charter.

Those words appear in the fourth principle of the charter pledging Britain and the United States to endeavor, with all due respect for their existing obligations, "to further the enjoyment by all States" of equal access to trade and raw materials. The qualifying words, said Prime Minister Churchill, were expressly intended to retain for Britain the "fullest possible rights and liberties over the question of imperial preference."

Mr. President, I have stated on several occasions that our Government has furnished as much as 70 percent of all the oil which is being used to run the war. We are depleting our precious iron and copper mines. We have drained our Treasury, and we are piling up our debt load in astronomical figures. If Mr. Churchill and the people of Britain are to assume the attitude disclosed by the article I have just read, I fear that when judgment day comes, when a settlement is called for, there will be serious objection from them with respect to giving back to us some of the God-given natural resources which we as a Nation are forced to utilize in order to carry on this war.

Mr. President, on June 25, 1942, I addressed the Senate and in the course of my remarks made the following statement:

Mr. President, I admire Mr. Churchill. He is a great political leader. Judging from press reports, I have no doubt that he will be given a vote of confidence when he returns to England. In the past he has been able to win over his people by sheer oratory. I will never forget his speech of February 15, 1942, when Singapore fell. He lamented its fall, but consoled his people when he said:

"The first and greatest of events is that the United States is now unitedly and wholeheartedly in the war with us. The other day I crossed the Atlantic again to see President Roosevelt. This time we met not only as friends but as comrades standing side by side and shoulder to shoulder in a battle for dear life and dearer honor in the common cause and against the common foe."

"When I survey and compute the power of the United States, and its vast resources, and feel that they are now in it with us, with the British Commonwealth of Nations, all together, however long it lasts, till death or victory, I cannot believe there is any other fact in the whole world which can compare with that. That is what I have dreamed of, aimed at, and worked for, and now it has come to pass."

In other words, we have lost the Battle of Singapore, said Mr. Churchill, but I have won the battle of making the United States an active participant in this war on our side.

There is no doubt in my mind why Mr. Churchill was so anxious to get us into this war. He worked for it, as he said, and now it has come to pass. He was aware of our potential natural resources and he felt that once we were



in he could depend on us to carry on without a let-up. It was a case of maneuvering himself into a position where he could make it possible to let George do it, and I do not mean King George of England. As I said then, and I repeat now, we have given unstintingly in this war—we are spending at the rate of over ninety billions annually, 14 percent of which is expended annually for lend-lease operations—and unless the Congress takes hold now and tries to make sure that the British Empire bargains with us now to restore to us after the war some of the many millions of tons of natural resources of every kind which are now being dissipated, we may find ourselves unable to carry on war in the future in defense of our own country.

Some of us have been advocating that the British should deed to us in perpetuity certain bases in the Atlantic. It will be recalled that soon after the destroyers-for-bases deal was made—I advocated that, instead of our Government's receiving a 99-year lease on the bases, we should get them in perpetuity. Three or four months ago a subcommittee of the House of Representatives' Committee on Naval Affairs visited those bases and advocated that such a policy should be adopted now while the war is going on. But when that matter came to the attention of the British people Mr. Churchill said, as appears in an article headed London, April 26, 1944, published in the New York Times of Thursday, April 27, 1944:

Prime Minister Churchill told the House of Commons today there was not the "slightest question of any cession of British territories" in the leasing in September 1940 of bases to the United States in exchange for 50 American destroyers.

Rhys Davies, Labor member, called attention to a recommendation of a Naval Affairs Subcommittee of the House of Representatives at Washington for study of the idea that the United States obtain permanent possession of the military bases.

Mr. Churchill replied that the Commons might "rest assured there have been no developments calling for review by the Government or the House of the existing position in this matter, which remains unchanged."

The 1940 agreement between the two countries provides that there shall be no change of sovereignty in the bases, which were leased to the United States for 99 years.

Mr. President, in addition to the suggestion that we obtain those Atlantic bases in perpetuity, I have advocated that when the war is over that our Government should be given the right by our allies to select in the Pacific and in the Atlantic, if we see fit to do so, such bases as we may have built in order to fight this war. In fact we should be allowed to establish other bases to the end that such bases may be used for our protection and to help keep the peace of the world. In the space of 25 years our great Nation has been called upon to save the world on two occasions. We have fought and we are now fighting, not as conquerors, but as saviors of liberty and we should be afforded an opportunity to make it possible for the world to live in peace. Since our aims are so noble, our allies should trust us and not hesitate to make such bases available to

us. I believe that such a policy should be settled now, not after the war; and I urge the Committee on Appropriations to study this matter and to have it in mind when further appropriations are made to help our allies.

I have turned over to the Truman committee all information that I had on the subject of lease-lend in reverse. I obtained some very valuable information from a major in the Quartermaster Corps, who was stationed in England, and who told me that he desired to appear before the Truman committee or before any other committee, so that the American people could find out how lease-lend is operating in Great Britain. What I have asked in the past and what I am asking now is that any reverse lease-lend aid be something real, something tangible, something that will be useful. This major said that some of our soldiers were being housed in English castles that were repaired and put in order by the English and all expenses were in turn charged to us by way of reverse lend-lease. He further stated that many commodities that were sent to the English under lease-lend were in turn sold to our soldiers for cash and the cash found its way in the British Treasury. He further stated that lease-lend gasoline was sold by the British and the cash also found its way in the British Treasury and all we got was an I O U.

Mr. President, as I pointed out in two speeches before the Senate, one on March 5, 1941, and another on October 12, 1943, statements such as this were made by the Lend-Lease Administrator, who was then Mr. Stettinius:

It is impossible to measure in dollars either the cost to the British or the value to us, for example, of British engineering and designs of weapons based upon 2 years of combat experience gained before we entered the war. All this has been freely made available to us in the production of planes, tanks, and other weapons in our own factories and for our own forces. No estimate can be made of the number of American lives that have been saved by equipping our forces with those improved weapons.

In my speech on October 12, 1943, after quoting the foregoing statement, I said:

Just stop and think of that. The great British Government proposes to offset lend-lease aid by engineering experience. I say to the Senate and to the British people that if they seek to offset lend-lease aid in such a manner, they ought to hang their heads in shame.

I repeat that statement today.

Mr. President, unless a policy is established now, after the war we may find ourselves in debt to some of our allies if they are permitted to charge for such services as I have just indicated. They are contemplating a charge on capital investments made by them in building roads, air fields, and the like, some of which our boys use in fighting this war. I say that unless our Government establishes a policy now, it might be too late, when the war ends, for us to recoup what is justly due us.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WHEELER. My understanding is—and I have received the information

from Army officers—that in the lend-lease operations in north Africa we have turned over trucks, machinery, and other things to the British, and that they were used not by us, but by the British, in obtaining good will for themselves in north Africa. However, I understand that since that has been made known, and taken up with the President, he has said that he would insist that in the future all lend-lease in north Africa be handled by America rather than the British. I was delighted to hear it. However, it is difficult for me to understand why the British were permitted, in the first place, to use lend-lease goods for the purpose of giving them to the Arabs, or lending them to the Arabs or other people for the purpose of obtaining good will for the British. If the goods are furnished by us, they ought to be given in our name. I have seen some statements to the effect that that was not being done, but I happen to know, from a very respectable authority, that it was being done, and that recently the President has said that in the future the operations should be handled by Americans.

Mr. ELLENDER. It is my understanding that the policy has been changed since last November. My purpose in bringing this matter to the attention of the Senate and the country is with the hope that the British people will see the light. The British should realize that this is not our war and that we are giving our all for their preservation.

As I indicated in my speech on October 12, 1943, Americans generally believed that when we gave 50 destroyers to Great Britain, we were obtaining land in order to build 7 bases. Investigation showed that that was not the case. All we acquired was the right to use the water and the free air surrounding certain British possessions. After this matter was brought to the attention of the country 6 or 8 months ago, the British people saw the light, and they paid over to us the amount of money expended by us in acquiring land for the 7 bases. The amount involved was not large. It was only \$6,200,000; but that much was saved.

What I am attempting to do now is bring this matter to the attention of the people of this country and of the Appropriations Committee, and to urge the committee to establish a policy now as to what can be charged by our Allies in reverse lease-lend, instead of waiting until after the war and getting into a dispute over it. I hesitate to repeat my purpose so often and my hope is that the Appropriation Committee of the Senate will make "action" its byword when considering further lend-lease appropriations. We can easily establish a policy; and I believe that such a course will be conducive to much better relations when the war is over.

Mr. President, I do not care to take any more of the time of the Senate. I ask unanimous consent to have printed in the RECORD at this point excerpts from two speeches made by me before this body, under date of March 5, 1941, and October 12, 1943.



There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Mr. ELLENDER. \* \* \* Mr. President, I did not oppose the Lend-Lease Act. I thought it was necessary. Not only did I favor its adoption but I have supported every appropriation made to carry out its purposes, and I am in favor of its continuation. However, what has puzzled me regarding its operation is my inability to obtain information which I deem pertinent, giving a clear picture of how it is administered. We are given to understand that some of the countries which receive aid under its provisions furnish us goods and services in return, but when an effort is made to determine what it is that we receive in return, the information is not available. I believe that I express the views of the Senate, as well as those of the American people, when I say that it would be far better for us to have an understanding now of what our allies will be permitted to charge us on lend-lease in reverse, than to have a misunderstanding of the matter when peace comes.

On March 5, 1941, when the lend-lease bill was being considered by the Senate, I made this suggestion to the President, and I think it will bear repetition:

"It is hoped that the President, in the exercise of those powers—" that is, lend-lease powers given to him—"will take into consideration the vast resources of the British Empire and other countries now engaged in war on its side before extending them too much credit to carry on their war.

"I have made a study of the debts of England and the various British possessions now engaged in war with her. I have before me a statement which is very interesting, and I believe the information it contains should be taken into consideration when the pocketbook of Uncle Sam is being opened, as it were, in order to help the British.

"Our country, including its possessions, has an area of 3,738,395 square miles. Its total population is 150,450,560. The public debt of the United States up to September 30, 1940, was \$44,214,604,746."

I will omit further reading in regard to a comparison of debts, because I propose to discuss the subject in detail when I present to the Senate the statement to which I have referred.

"Further, Mr. President—"

Again quoting from my speech of March 5, 1941:

"I hope all that is now being done by the British possessions will be continued after the passage of this bill, to the same extent, if not greater, than now prevails. In other words, after we pass this bill I do not want the British possessions to assume that Uncle Sam is going to do all the work and furnish all of the materials needed.

"Under the pending bill the President has the power to trade, exchange, or barter all kinds and quantities of property. It is to be hoped that he will exercise—and I am confident he will—that power so that we will receive some form of compensation for our property, rather than make outright gifts to those who will benefit."

That statement was made, as I have said, on March 5, 1941.

"I submitted figures showing the areas of the various countries. The British Empire is almost four times larger than the United States in area. Likewise, we know that our country is entirely dependent on British and Dutch possessions for rubber, tin, and a few other natural resources that are essential to us; and in making these trades I hope the President will bear these facts in mind and obtain for us vast quantities of these natural resources. I may further add in that connection that the President may look into the feasibility of obtaining permanent bases

in the Atlantic from the British rather than 99-year leases. I am not advocating the acquisition of any of the islands involved, but complete sovereignty and ownership in perpetuity of those portions of the islands or mainland as may be necessary to properly establish our bases.

"Today, sad to say, our great country may be penalized because it has industrial advantages unequalled by those of any other nation in the world. Because of the ingenuity of our people, we have become the arsenal of democracy. In the meantime let us not forget that our natural resources are being depleted, and we should demand for our finished products some of the rich natural resources of Great Britain and her allies."

Mr. President, I have merely cited a portion of that speech as a further reminder to the President and his advisers that it is while the war is in progress that he should make every effort to replenish from abroad our God-given natural resources which are now being utilized in such large quantity in this great war.

Mr. President, since the operation of lend-lease, I have made every effort possible to obtain from the Administrator information as to how lease-lend operates, whether or not it is a one-way street, as has been suggested, or whether we are receiving any value in return for what we send to our allies.

I wish to say at this point that I do not expect all our allies to be able at this time to return, either in kind or otherwise, what we are now giving them. Take, for instance, China. I know that China cannot do it; we have heard and read of her poverty. I feel confident also that Russia at this time cannot possibly make any return in kind or otherwise. She has her hands full fighting Germany, and I know that America is proud of her matchless victories on the battlefields of Europe. I predict that when the history of this war is written, Russia's legions will be given credit for saving world democracy and freedom.

Mr. President, I believe that facts and figures have been submitted to this Senate not only in recent weeks, but months ago, which show that Great Britain could to some extent relieve or lighten our burden by returning to us in kind or in some substantial way such materials as we are furnishing her under lease-lend. Furthermore, I believe sincerely that now, while the war is on, as I have just indicated, we ought to have such an understanding. There is no earthly reason why we should not have an agreement, that we are to obtain from Great Britain concessions for bauxite from her rich mines in British Guiana. There is no reason why we should not be granted concessions for tin, for rubber, and last, but not least, for oil.

It has been brought to the attention of the Senate that this country has been furnishing about 70 percent of the oil which is now being used by our allies, and we hear, to our amazement, that the British have vast oil reserves in Iran and that big British-owned refineries are running but 60 percent of their capacity. Why should the United States send oil and octane gas across the seas when both could be obtained not far from the actual theaters of war?

Yesterday morning I telephoned the Lend-Lease Administrator. I was referred to one of the experts, and I again asked how the lend-lease operated in Australia. Much has been said here about Australia. The answer was that neither the British nor the Australians had a sufficient number of men on hand to make the compilations; in other words, that they were short of labor to render such services. Lease-lend has been on the statute books now for over 2½ years, and it strikes me that the American people

are entitled to know how lease-lend is being operated. It will be recalled that some members of the Australian Government contend that their country has furnished us with as much as she has received from us. In other words, the accounts are about in balance.

Mr. BRIDGES. \* \* \* But I do believe, as the Senator from Louisiana is attempting to tell the Senate, that the country is entitled to know what is going on today in lend-lease. I believe the strongest point the Senator has made today is this: When we give to any country equipment or supplies under lend-lease, which they in turn sell to their civilian population, for which they receive cash from their own people, can anyone in the Senate offer one legitimate reason why that money should be placed in their own treasury and spent for their own purposes and not be returned to the United States? That is one of the loopholes in lend-lease that should be corrected in the interest of justice to the United States and our citizens.

Mr. HATCH. Mr. President, will the Senator yield again?

Mr. ELLENDER. I yield for a question.

Mr. HATCH. Does either the Senator from Louisiana or the Senator from New Hampshire have any proof of the last statement?

Mr. ELLENDER. I received it from the Lend-Lease Administrator, of course.

Mr. HATCH. That other countries receiving lend-lease from us were selling lend-lease articles to their own citizens?

Mr. ELLENDER. Yes. I will read from the record a statement made by me early in 1943 with respect to the matter. I cannot find the statement at the moment, but, as I recall, I said that shiploads of milk, of cheese, of powdered eggs, and the like are sent to Great Britain, for which the United States receives an I O U. The British Government sells the merchandise to the wholesalers in Great Britain, the wholesalers sell it to the retailers, and the retailers to the consuming public. What really happens is that the British Government receives the cost of the goods from the wholesalers and puts it into the treasury. No doubt, profits are made on which income taxes are collected by the British Government, and I am almost certain that ad valorem taxes are also collected in like manner.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WHEELER. I think the Senator from Louisiana was present in the Committee on Agriculture and Forestry when I or some other Senator asked the question of Mr. Stettinius, I think it was, or some representative of the Lend-Lease Administration, and the answer was very frankly made that the British Government was selling the goods, and the money received for the sale of the goods was going into the British Exchequer. There was no question about it at all.

Mr. ELLENDER. I made statements regarding this on the Senate floor on two occasions at least. I was present at the meeting to which the Senator from Montana referred and recall the incident.

Mr. WHEELER. When Mr. Stettinius appeared before the Committee on Agriculture and Forestry, he very frankly admitted that that was true. There was no question about it.

Mr. ELLENDER. Yes. Now, Mr. President, I desire to read a little more from the RECORD and then I will conclude with lease-lend:

"Mr. ELLENDER. Mr. President, when the distinguished Senator from Texas [Mr. CONNALLY] was discussing the pending bill for a continuation of the Lend-Lease Act, in behalf of the Committee on Foreign Relations, I asked him some questions with a view of attempting to clarify a few of the issues involved. As I stated then, I repeat, I voted for lease-lend and I expect to vote for a continuation of lease-lend. I believe that it should be made plain to the American people how lease-lend operates—just how it is pro-



posed to pay us back for the advances made. I have been trying to obtain an answer to the questions for the past 6 or 8 months, and I am still in the dark.

"I am informed that the way some of lease-lend works—

—"I desire to call to the attention of the Senator from New Mexico [Mr. HATCH] that this is the quotation I was looking for awhile ago—

"is in the following manner: A cargo of pork, canned fruits, dried eggs, and other products is shipped to the British Government for the purpose of feeding its civilian population. Those products are turned over to an agency of the British Government. The British agency pays nothing for them to our Government but sells them to the merchants in the British Isles, and in turn the merchants sell the goods to the people of the British Isles, thereby enabling the merchants to maintain themselves in business. No doubt, some appreciable income accrues to the merchants upon which the British Government receives taxes and other income. If that be true, I would be interested to find out to what extent is lease-lend operated in such a manner."

Since that time I have tried to obtain that information, but I understand that the statistics are not available, and that England cannot furnish the information because of shortage of labor to compile such figures.

"Let it not be shrouded in darkness. The people are entitled to know if this is an outright donation or if they are being kidded into believing that they can expect to be repaid in kind or otherwise.

"If we are to receive value, let our allies make it real. Let us be shown that they mean business. \* \* \* While this war is continuing we should obtain absolute sovereignty over the bases that we acquired from England some time ago in return for 50 destroyers. Let us make lease-lend work to that end. I advocated such a proposition almost 1 year ago, and I doubt if anything has been done to this moment. Other bases could be acquired in like manner. In that connection why not obtain sovereign rights over some of the air bases we are building in the Pacific and other parts of the world? On the other hand what about the millions of tons of our natural resources that are being sent abroad? Why could not some agreement be entered into now whereby our Government could in some way have returned to it some of the millions of tons of steel it is sending abroad? How about oil; why not make provisions for its return after the war? How about rubber and tin? Are we going to be forced to pay to Britishers, after the war, tremendous sums for rubber and tin as we did after the First World War? It strikes me that while this war is on, while we are giving our all, while we are dissipating our God-given natural resources, we should make every effort to obtain, in kind, those irreplaceable resources. Let some agreement be made now, to make available to us after the war, iron ore, tin, manganese, bauxite, oil, and other resources that are now being used in large quantities. We must and should replenish those resources.

"Mr. President, I advocated a similar proposal 2 years ago, when the original bill was before us. I had hoped that something would be done in that direction here now. The British Commonwealth has many times the natural resources the United States possesses, and I contend that now is the time for us to have a clear-cut understanding of how we are to obtain in kind some of our God-given resources which are now being extravagantly dissipated. Let us obtain if possible, in sovereignty, some of the rich bauxite mines owned by the British, some of the rich tin deposits owned by the British and the Dutch; in fact, sovereignty over some of the

rich natural deposits owned by our allies and which are now idle. Let us bargain now while the war is on and not wait until the war is over. I would like to discuss this subject more in detail."

Mr. President, I cite that reference to the Senate merely to show that some of us were not asleep, and that I believe we have made valid suggestions to those administering lend-lease, but somehow they have not been followed. It is my contention that a discussion of this kind probably will lead England to do in regard to other matters what she did in respect to the 50-destroyer deal. It will be recalled that when the British were given 50 destroyers in trade for 7 bases, some of us on the Committee on Naval Affairs \* \* \* investigated to find out some of the details in regard to that deal. When an investigation was made, what did we find? We found that our Government had simply acquired water and air, and that we had to go down in our jeans and pay out as much as \$6,200,000 in order to acquire land upon which to build the bases. I have no doubt that the discussions we had in the past brought the English to their senses; and 2 months ago we were paid for the amount the United States put up to buy the land for those bases.

By the same token, I want to bring to their attention many other things. I am pleading for an understanding now, so that we shall not have a misunderstanding around the peace table.

One of the puzzling answers was in regard to the valuation of reciprocal aid. How to evaluate services, and so forth, seems to have been the troublemaker for the Lease-Lend Administrator. This was his reply:

"While we have kept records of reciprocal lend-lease aid received from all countries, it has not been practicable thus far to make evaluation in dollars and cents of the amount of this aid. However, we are endeavoring to obtain from the foreign governments a statement of the costs to them, in terms of their own currency, of the aid which they have given us. The Australian Government has already indicated that it spent approximately \$61,000,000—which would be about \$196,000,000 of our money—for reverse lease-lend up to June 30, 1943."

I had asked for a statement, but all I received was the amount. Upon further investigation from some of the experts in lease-lend I am told that a large amount of this \$196,000,000 which the Australian Government has charged against us is for the money spent by the Australian Government to build roads and airports throughout Australia for the defense of Australia, and for the rent of large airports scattered throughout Australia, and also for the use of docks in Australia. Just think, Senators. Here we are, sending our blood, our money, and everything else to defend Australia, and we are charged rent for the use of bases and the cost of building ports and roads in order to defend Australia.

Before the war the debt of Australia was five-billion-and-some-odd-million dollars. Now it is about \$200,000,000 less than it was. According to the figures I have, she owes less now than she did before the war. Probably our great country could pay all of its debts if we could get from all our allies material which we could sell for value and put the purchase price in our pockets.

Let me read further:

"The problem of evaluation is, however, a very difficult one. The reciprocal aid received by us consists of thousands of individual transactions occurring in all parts of the world under the most diverse circumstances. To place values on individual items, or even to arrive at values in terms of general categories, is a vast undertaking. Moreover, there are many types of reciprocal aid that are of such an intangible character that it is impossible to value them."

Listen to this, Senators:

"It is impossible to measure in dollars either the cost to the British or the value to us, for example, of British engineering and designs of weapons based upon 2 years of combat experience gained before we entered the war. All this has been freely made available to us in the production of planes, tanks, and other weapons in our own factories and for our own forces. No estimate can be made of the number of American lives that have been saved by equipping our forces with those improved weapons."

Just stop and think of that. The great British Government proposes to offset lend-lease aid by engineering experience.

I say to the Senate and to the British people that if they seek to offset lease-lend aid in such a manner they ought to hang their heads in shame.

"Another difficulty is involved in expressing a 'value' in terms of dollars."

Hundreds of those airplanes upon which these gadgets are used are in lend-lease. There is no doubt that they utilized many gadgets for which we were responsible.

I am wondering to what extent they charge us or give us credit for that by way of compensation. I am confident that our people are not thinking of charging the British for such services.

Listen to this, Senators:

"A list, prepared by the Office of Economic Warfare, indicating the volume of public purchases and private commercial imports from lease-lend countries during the year 1942, is enclosed. With respect to the British Empire, the over-all financial condition of the Empire has thus far required that these purchases be for cash. Our purchases of bauxite from British Guiana, for example, have been cash transactions for this reason."

Think of it, Senators. What about our financial condition? If such a policy is to continue, the American people should know it.

Mr. GILLETTE. Mr. President, before the Senator takes his seat, I wonder if he will yield for a question?

Mr. ELLENDER. I yield.

Mr. GILLETTE. The Senator stated that in his opinion it would be a very simple matter, if the problem which he has been discussing were brought to the attention of the Appropriations Committee, to determine a policy to meet the condition to which he has been referring. I wonder how the Senator determines that the Appropriations Committee could adopt a policy outside the framework of the definitive provisions which Congress has laid down in the Lend-Lease Act delegating authority to the executive department?

Mr. ELLENDER. We hold the purse strings.

Mr. GILLETTE. That is true.

Mr. ELLENDER. It seems to me that we could make it pretty hot for someone if what we suggest were not carried through. I realize that the lend-lease operations are in the hands of the Executive. As I stated to the distinguished Senator from Montana [Mr. WHEELER] awhile ago, I understand that in November the President issued certain orders making it possible for us to handle lend-lease goods in North Africa. If it had not been for the fact that some of us raised the question, such goods might still be handled as they have been handled in the past; that is, through the British. The recipients of such aid were under the impression that



the British were their benefactors, instead of the United States.

At the moment, because of considerations of secrecy, I am unable to inform the Senate as to the contents of some of the documents which I saw in the past 2 or 3 days. However, those documents confirm much of the allegations made by me and brought to the attention of the Senate since 1941; in fact, every time lend-lease has been under consideration. In my judgment, charges in reverse lend-lease are being made against us by some of our allies which are unconscionable. It would be the same if the Senator's home should catch fire and I were to go to the fire and help him put it out and he charged me for the use of hose. What I am contending is that if we are to have lend-lease in reverse let us not "kid" ourselves into believing that it should be anything except real. Let us make it real. That is what I am pleading for. Let us not permit our allies, no matter who they may be, to say, in effect, after the war, "Now, your soldiers have caused much destruction in a town in Italy," let us say, "and the damages will be charged to you in reverse lend-lease." I do not know whether it is true, but I understand that with regard to the Solomon Islands and various other British possessions in the Pacific there has been charged to us considerable destruction which has taken place there. In other words, what I want to do is to say now that we do not think it fair, square, or honest to charge such items in reverse lend-lease.

Mr. GILLETTE. Mr. President, will the Senator yield for one further question?

Mr. ELLENDER. I yield.

Mr. GILLETTE. What prompted my first question was the Senator's assertion that the Appropriations Committee should adopt a policy which would correct the situation to which he has referred. In the original Lend-Lease Act the following language is found:

The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

Under that delegated authority, and the fact that the President in the exercise of his sound discretion has made a contract with any nation under terms which I have read, as would seem proper, no matter whether they seem to the Senator or to me to be improper, how can the Appropriations Committee be heard to question the wisdom or the unwisdom of such a contract?

Mr. ELLENDER. As I have already said, Congress holds the purse strings. I am not now advocating that we should discontinue lend-lease. Although I have spoken against the administration of lend-lease, I have always voted for it, because I am of opinion it is necessary. The Senator knows that to be true. When the lend-lease law was first put upon the statute books all that we were supposed to do was to give our allies material. They said, "Give us the mate-

rial; we have the men." That was the situation then. As I pointed out in a speech which I made some time ago, several hundred thousand British soldiers were on the British coast waiting for an event which never happened. I predicted then that there would be no move by those British soldiers until the American soldiers went to the British Isles and helped them.

I believe it was the distinguished Senator from Colorado who raised his voice some time ago as to what the percentage of American soldiers and British soldiers would be in the "big push" which is going to take place within a short while. My guess is that many more American soldiers than British will take part in that activity.

Mr. President, I repeat that I have always voted for lend-lease, and I expect to vote for it again. I believe that lend-lease is necessary. I have merely called this matter to the attention of Congress, and to the Appropriations Committee in particular, so that before further appropriations are made we may investigate the question of how lend-lease works in reverse. Let us call the representatives of the British and of our other allies to explain why the charges which I have indicated, and which are unconscionable for any country to make in reverse lend-lease, should be made.

I have already cited the case of Australia. We have spent millions of dollars to build airports and roads in Australia, and some members of the Australian Government are now claiming that the accounts are about even, that they have done as much for us as we have done for them. However, in arriving at their figures, I am told that they are charging us for the use of roads in Australia, and for the use of existing airports there in order to save their country. I assert that if charges of that nature are to be made in reverse lend-lease, we should know it now.

Mr. VANDENBERG. Mr. President, because of certain testimony before the Foreign Relations Committee, I wish to refer to one phase of the pending bill. I have in mind the proviso on page 2 of the bill, reading as follows:

*Provided, however,* That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy, or any post-war policy involving international relations except in accordance with established constitutional procedure.

Mr. President, at the time the subject of lend-lease was before the Senate 1 year ago the Foreign Relations Committee definitely and specifically challenged certain things which were being done in the master agreements which were made between the United States and its lend-lease debtors. The committee found that in article VII of those master agreements there was an exchange of commitments which promised and pledged that in the ultimate settlement of lend-lease accounts provision should be made "to the elimination of all forms of discriminatory treatment in international commerce, and to the re-

duction of tariffs and other trade barriers," and so forth.

Mr. President, the Foreign Relations Committee came to the unanimous conclusion 1 year ago—and there was no partisan difference of opinion on the subject as the committee was a unit on it—that by no stretch of the imagination is the executive branch of the Government entitled to commit the Government upon its own exclusive responsibility "to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers."

Regardless of what the aspect of the barriers may be, and without respect to the validity of that objective, it is perfectly clear that the sole initial power to deal with any such subjects does not rest in the Executive, but rests exclusively, under the Constitution, in the Congress of the United States.

Therefore, the Foreign Relations Committee in its report 1 year ago said:

The committee believes that there is no authority in the Lend-Lease Act to warrant any general post-war commitments or post-war policies in agreements made under the terms of the Lend-Lease Act.

Mr. President, when the administrators of lend-lease came before the Foreign Relations Committee this year I was curious to find out how much attention had been paid to the clear mandate of the Senate Foreign Relations Committee which subsequently had the endorsement of the Senate at least to the extent that it never confronted any dissent. I read from a few questions and answers:

Senator VANDENBERG. Are you still writing the same master agreements, in the same language, which the Senate Foreign Relations Committee criticized a year ago so appropriately?

Mr. Cox. —

Speaking for the Lend-Lease Administration—

I would say "Yes." I do not think there have been any substantial number of master agreements since that time, if any. We can check that, however.

Senator VANDENBERG. But, if any?

Mr. Cox. They would be in the same language.

In spite of the fact that the Congress itself had deliberately and specifically notified the executive authorities, the lend-lease authorities, and the negotiating authorities of this country that they could have no authority under the Constitution to include any such pledges as they have written into article 7 of the master agreements under the Lend-Lease Act.

I continue reading from the testimony:

Senator VANDENBERG. Obviously, the Wadsworth proviso is aimed at the same thing the Foreign Relations Committee was talking about in its last report?

Mr. Cox. I think so, although it is limited to the post-war economic, military, or international policy that is tied in with any settlements that are made.

Senator VANDENBERG. But you would have to pay more attention to this than you do to the committee's report of a year ago?

Mr. Cox. I would think so.

In other words, Mr. President, the effort of the Senate Foreign Relations



Committee and of the Senate itself to be rather polite in their disagreement with the executive authorities was a total failure. The constitutional opinion of the committee and the Senate apparently carried no weight at the other end of Pennsylvania Avenue. Therefore, it became necessary to write into the bill the proviso to which I have referred.

In emphasizing the matter, I voice the hope that the authority of Congress as expressed in a statute may succeed in being more effective than the constitutional opinion of the Senate as expressed in a committee report; and I express the belief that the proviso which is now in the pending extension act not only prohibits the President from writing into his lend-lease agreements any obligation which primarily rests within the constitutional jurisdiction, but that it also is intended to confine lend-lease absolutely to the military operation of this war that it does not extend it 1 minute or \$1 into the post-war period.

Mr. BROOKS obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, with relation to what has been said by the Senator from Michigan [Mr. VANDENBERG] I desire to observe that, while the bill as reported to the Senate adopts the provision carried in the House bill, indicating that no commitments are to be made by the Executive other than the express ones authorized by the law, yet I do not think that under the Constitution the President can make any commitments with relation to the post-war era that in any way affect the constitutional powers of the two Houses of Congress. The President might agree, whether in lend-lease or in any other way, that we would reduce our tariff or change our tariff, but that in no sense under our Constitution would be a commitment of the Government; the Congress would have to act in any event. So I do not regard it as absolutely imperative that the amendment be carried in order to effectuate that purpose, although it is a good expression of our policy and our attitude, and I favored the inclusion of the amendment in the pending bill.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. VANDENBERG. I completely agree with the able Senator's analysis factually. Of course, the President cannot exceed his constitutional authority and ultimately "get away with it." But I am suggesting that any pretense or suggestion that he might be able to do so in respect to suggestions made to others of the United Nations may invite an ultimate disillusionment which would not make for post-war amity and that it is far better—and I know the Senator is in agreement with me regarding the basic facts—that the situation should be totally clear and not muddled.

Mr. CONNALLY. As I stated a moment ago to the Senator from Michigan, I favored the inclusion of the House amendment and still adhere to that po-

sition, although I wanted to make it clear that by what we have done heretofore we had in nowise compromised the constitutional power of the Houses of Congress, whatever the President may have done or promised to do in any of these master agreements.

Mr. President, one general statement and then I shall yield back the floor to the Senator from Illinois. Of course, the lend-lease policy and all agreements under it contemplate the aid of the war; they contemplate military action. As one who originally voted for the lend-lease, I do not think that we ever intended lend-lease to serve any purpose except to aid in the military operations in carrying on the war.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield at that point?

Mr. CONNALLY. I shall yield in a moment. I am sure that there has been extravagance and I am sure that there have been things done which probably we would not approve, but it is impossible for the Congress to keep its fingers on every expenditure and every transaction in a vast military campaign that involves almost the entire world. I now yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I am in complete agreement with the Senator's statement that lend-lease is a war measure. In its original enactment, even before we got into the war, it was a war measure according to the Senator's description of it.

Mr. CONNALLY. I thank the Senator from Colorado; I am always glad to find myself in agreement with the eminent Senator. There is no use to blind ourselves even though we passed the act before we actually got into the war. I do not suppose anybody was naive enough not to know that it was passed to aid the war against the Axis Powers.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TYDINGS. I know the able Senator from Texas appreciates that many of us would like to offer amendments of a restrictive nature to confine the expenditure of lend-lease money to the war purposes and that we are desisting from that for the very obvious reason that if that course were followed too strictly it might do more harm than good. But I think it is the universal sentiment of all the Members of this body with whom I have talked, and perhaps the Members of the body at the other end of the corridor, now that the more or less preliminary phases of the war have been brought under control, that is insofar as they pertain to nonbelligerent countries, it is the hope that from now on this expenditure will be directed with greater singleness of purpose to the agencies and countries that need it most to help shorten the war, and that our excursions into finance by other branches of the Government with other countries will be reduced to the irreducible minimum; because, after all, there is going to be an aftermath. When the final accounting is made we must pay the bill; and from now on the lend-lease money ought to be expended with a singleness of purpose, to

shorten and win the war, and for no other incidental reason whatsoever.

Mr. CONNALLY. Mr. President, I am not in disagreement with the observations of the eminent Senator from Maryland. As I stated a moment ago, this act was initiated as a war measure and its activities ought to be confined to those necessary military operations that promote the prosecution of the war. Personally, I very much hope to see expenditures under lend-lease curtailed. Most of the installations and great expenditures in the prosecution of the war have already been brought about, the money has already been expended, and from now on the purposes for which funds under lend-lease are to be expended should be limited to absolutely necessary military operations.

I wish to say that I have taken upon myself somewhat of the responsibility of discussing this matter with the present Administrator of the lend-lease fund, and I have impressed upon him the necessity of doing the very thing concerning which I have been commenting. I have conveyed to him what I believe to be the views of the Congress, that, while we are going along with lend-lease, while we are not going to surrender our policy of standing by this measure, we still want the funds administered in the best possible way and the most economical way, and that its purposes are to be confined to carrying on the war, and the funds are not to be squandered in all sorts of fantastic schemes and plans which visionaries might think up, and which impractical men might put into operation.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Illinois yield to the Senator from Tennessee?

Mr. BROOKS. I yield.

Mr. McKELLAR. I wish to say that I am in entire accord with the views which have been expressed by the distinguished Senator from Texas. Yesterday or this morning I gave out a statement which is printed in an article in the Evening Star of today. The headline reads:

McKELLAR voices hope for sharp curtailing of lease-lend outlays.

Urges "tapering off" as Congress weighs plea for \$3,500,000,000.

I shall not read the article, but I call the attention of Senators to it, and ask that it be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

McKELLAR VOICES HOPE FOR SHARP CURTAILING OF LEASE-LEND OUTLAYS—URGES TAPERING OFF AS CONGRESS WEIGHS PLEA FOR \$3,500,000,000

Senator McKELLAR, Democrat, of Tennessee, acting chairman of the Senate Appropriations Committee, called today for a substantial tapering off in lease-lend appropriations.

Senator McKELLAR's statement came as the administration asked Congress for approximately \$3,500,000,000 in new lease-lend money for the year starting July 1. That sum, combined with unexpended balances from previous appropriations, would be included in a



tentative 1945 lease-lend budget of about \$7,188,893,000.

The current year's budget was approximately \$8,400,000,000, of which \$6,273,629,000 was a new appropriation voted in 1943. A total of \$24,683,000,000 has been appropriated since the war-aid program started in 1941.

As the Senate resumed consideration of the House approved bill to continue lease-lend for another year, Senator McKELLAR told a reporter that he considered the program vitally essential but he hoped peak requirements had passed.

"I hope that there will be a substantial tapering off in these expenditures from now on," Senator McKELLAR said. "The United States has certainly been enormously generous in our aid to our allies."

Senator McKELLAR said he believed the bulk of costly war and defense installations constructed throughout the world has been completed, and that some other forms of aid might now be less in demand.

Administration leaders hoped for a final vote in the Senate today on the extension bill, with overwhelming passage assured. The bill merely continues lend-lease authority, with the appropriation to be considered later.

Mr. McKELLAR. Mr. President, last Friday the Senator from Ohio [Mr. Taft] called attention to the lend-leasing of silver bullion. I took the matter up immediately with Mr. Crowley, and I have a letter from him which I desire to read at this point, since it is short. It read as follows:

FOREIGN ECONOMIC ADMINISTRATION,  
Washington, D. C., May 8, 1944.

The Honorable KENNETH McKELLAR,  
United States Senate,

Washington, D. C.

DEAR SENATOR McKELLAR: I am pleased to furnish you the information you requested concerning the lend-leasing of silver to the United Kingdom.

We have lend-leased to the United Kingdom a total of approximately 30,075,000 fine troy ounces of silver. The United Kingdom has agreed to return an equivalent amount of silver to the United States after the end of the war.

One-third of the silver lend-leased to the United Kingdom has been required in the construction of aircraft fuselages, in the armaments and ship-construction industries, and for other war-production purposes. Two-thirds of the silver has been required for essential coinage purposes in the United Kingdom and British colonies and protectorates, in which military activity and the presence of large numbers of troops, including American troops, has made a larger supply of coinage necessary. This silver has been minted in the United Kingdom. The United Kingdom has received no silver under lend-lease for transfer to sovereign third countries such as Saudi Arabia.

These lend-lease silver transactions with the United Kingdom have been discussed with and informally approved by the Senate Special Silver Committee, which is kept advised of all lend-lease silver transactions.

Sincerely yours,

LEO CROWLEY.

Mr. CONNALLY. Will the Senator from Illinois yield further?

Mr. BROOKS. I yield.

Mr. CONNALLY. It should be added, if the Senator from Tennessee did not find it covered in the letter, that those in charge of lend-lease testified that the silver was supplied under contract to return the identical number of pounds and ounces of silver.

Mr. McKELLAR. The letter so states. Mr. VANDENBERG. If the Senator

from Illinois will yield, does the Senator from Tennessee read the letter as saying that no lend-lease silver has gone to Saudi Arabia?

Mr. McKELLAR. I shall read the sentence again:

The United Kingdom has received no silver under lend-lease for transfer to sovereign third countries such as Saudi Arabia.

Mr. BREWSTER. Has not?

Mr. McKELLAR. I repeat the language:

The United Kingdom has received no silver under lend-lease for transfer to sovereign third countries such as Saudi Arabia.

Mr. VANDENBERG. Who signs the letter?

Mr. McKELLAR. Leo T. Crowley.

Mr. VANDENBERG. Of course, the language used may be so general that it can be pleaded as an excuse for the failure to disclose all the facts, but the facts are that 5,000,000 ounces of American silver have been coined for Saudi Arabia, in the form of Arabian coinage, under lend-lease, half of it minted in England and half of it minted here.

Mr. McKELLAR. I myself am not familiar with the matter, nor have I seen the testimony Mr. Crowley gave before the committee.

Mr. VANDENBERG. I think the letter is rather amazing in what it does not tell as well as in what it does.

Mr. McKELLAR. He says "for transfer." It evidently was done without the consent of our authorities.

Mr. VANDENBERG. Oh, no; and lest I be misunderstood, let me say that Mr. Crowley's organization has been perfectly frank in giving all this information to me. He does not attempt to refuse the disclosure of any of it, and that is why I am rather astounded that the statement occurs in the letter which the Senator has read.

Mr. McKELLAR. In view of the questions asked by the Senator from Ohio [Mr. Taft] last Friday, I believe it was, I made inquiry immediately, and this letter is the reply.

Mr. BREWSTER. Mr. President, will the Senator from Illinois yield to me?

Mr. BROOKS. I yield.

Mr. BREWSTER. Is it not perfectly obvious, from the facts which have been presented to our committee, that instead of these negatives, we should have an affirmative statement? I think that technically this statement may be correct, that the particular transaction to which the Senator from Michigan alludes will probably be defined as our having advanced the silver directly to Saudi Arabia, and simply used the service of Britain and India in minting certain of the coins. Thus it may not have been furnished to Britain under lease-lend, but was perhaps furnished directly to Saudi Arabia under lease-lend, but with the assistance of the British.

However, this does not cover other transactions in which the question of advancing lend-lease funds and materials very definitely could not receive a similar negative. I think a full statement of the transactions referred to, and perhaps some others, should be furnished to the Senate.

Mr. McKELLAR. I am quite sure that the Lend-Lease Administration will furnish the facts to the fullest extent possible.

Mr. BREWSTER. I fully concur that Mr. Crowley is perfectly frank.

Mr. McKELLAR. He is very frank, and I am quite sure he will furnish the information he has, as he has tried to do at this time.

I am principally interested in our not furnishing any lend-lease except where it is needed absolutely for war purposes, and I hope that the amounts which we are called upon to furnish will grow less from now on. Certainly they should. It seems to me we have given tremendous aid to our allies all along the line, as shown by the report that was filed here Saturday.

Mr. VANDENBERG. Will the Senator from Illinois yield further?

Mr. BROOKS. I yield.

Mr. VANDENBERG. Lest there be any misunderstanding about the nature of my interrogatory, I wish to make it plain that Mr. Crowley, upon my request, gave me what the Senator from Maine would call a totally affirmative description of his transactions in silver with Saudi Arabia. I think it might be of interest to the Senate to know that, while much of the silver was minted for Saudi Arabia in Britain and in India, lend-lease took pains to have even that coinage delivered to the American Minister in Arabia, so that Arabia could have no misunderstanding about the source of the silver in the coins. The only reason why I rose was that the information regarding Saudi Arabia seems to be totally different from the statement being read by the able Senator from Tennessee.

Mr. McKELLAR. I am very glad the Senator interrupted and gave the facts.

Mr. BROOKS. Mr. President, I think the discussion which has just taken place indicates the necessity for a continuous effort on the part of the experts who have been engaged by the Appropriations Committee to dig out all the facts concerning lend-lease appropriations. I wish to pay my tribute to the senior Senator from Maryland [Mr. Tydings] and the senior Senator from Tennessee [Mr. McKELLAR] for their activity in carrying out what I think is the unanimous will of the Appropriations Committee in digging out the facts which have been submitted to us today and which were submitted to us on Thursday of last week, but the report submitted to the Senate is what it says on its face—it is still a preliminary report of the committee investigators and the Committee on Appropriations of the United States Senate.

Mr. President, we are considering one of the most vital measures confronting the American people when we undertake to extend the life of the Lend-Lease Act. While the bill purports to extend the life of this unprecedented and unusual authority for 1 year, it actually extends until 1949 the time for the fulfillment of any contract or agreement entered into within that 1 year.

In all the history of representative government there has never been any



law enacted that places in the hands of one man the opportunity to dispose of so much of the resources of a free nation to any other nation as he chooses and on the terms he alone determines to be sufficient.

To date, under this law, we have appropriated \$24,683,629,000. Of this vast sum, actual transfer of \$20,961,627,234 has been made.

In addition to the amount appropriated, the Congress has provided funds and authority to transfer \$35,970,000,000 in goods and service through the War and Navy Departments. In addition, the Maritime Commission has loaned \$2,000,000,000 worth of ships—Pages 53-64, Report to Congress on Lend-Lease; page 3639, CONGRESSIONAL RECORD.

When we consider this total amount of approximately \$63,000,000,000, which has been estimated to be approximately one-fifth of our entire national wealth, we get a clearer picture of the magnitude of this bill which places so much of the wealth and production of our country into the hands and discretion of the President.

This increases in significance when we read the law which provides—

The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

Under this provision the President has the absolute right to forgive completely each and every obligation or debt, or obligation arising out of or in connection with any or all lend-lease transactions. The true import of this manifested itself in the preliminary print of the eleventh report to Congress dated August 25, 1943. In his initial letter transmitting his report the President said:

The Congress in passing the Lend-Lease Act made it plain that the United States wants no new war debts to jeopardize the coming peace. Victory and a secure peace are the only coin in which we can be repaid.

Because of the immediate criticism, this language was deleted from the transmittal letter. However, the fact that it was originally employed is notice to the Congress that it should be ever on the alert as the guardian of the people's money and future welfare.

It is reported that the President has presently asked for an additional \$3,450,570,000 for lend-lease expenditures up to July 1 of this year. If this amount is granted, it will bring the total under the Lend-Lease Act to \$28,134,199,000 and the grand total to \$66,104,199,000. If this is all used, and it may be under the severe fighting ahead, it will mean a lend-lease debt of approximately \$500 for every man, woman, and child in America, including our men and women who are away fighting this war. They will face this debt when they return.

I realize that we can never measure the cost of war in dollars. The great sacrifice is in human life, suffering, and

blood. I know that from personal experience. However, in addition to the human sacrifice, the cost of the war to America thus far is estimated to be \$180,000,000,000, or approximately a debt of \$1,500 for every man, woman, and child, including our gallant troops, who are presently fighting at the outer defenses of vicious enemies across both the Atlantic and the Pacific.

I realize it is comparatively easy to appropriate money for lend-lease and leave the responsibility for the future in someone else's hands, but someone must pay this lend-lease bill, and if the President follows the language and intent expressed in his original letter of transmittal to the Congress in 1943, the American people will carry the entire burden.

When the lend-lease bill was passed, it was represented that it was to permit the President to provide defense articles, information, and service to any nation whose defense the President deems vital to the defense of the United States.

I am sure the Congress intended to grant the President broad powers to administer such law and to grant lend-lease benefits where it could be of direct benefit in the winning of the war. However, I do not believe that the Congress intended to grant the President absolute authority completely to discharge every receiving nation of every obligation and debt arising in connection with the operation of lend-lease money and property. I do not believe that Congress ever intended that lend-lease funds or benefits were to be used to be of direct benefit to improve the economic or political status of any other country after the war.

It was reported in the discussion held in the House that it had been disclosed before the House Foreign Affairs Committee in executive session that there were some 15 or more secret agreements entered into, principally with South American countries. Since the terms and conditions of these secret agreements—if there be such—are not known to the Members of Congress generally, it places a double responsibility on the members of the Senate Foreign Relations Committee, under whose jurisdiction this bill is presented to the Senate for favorable consideration. There is an added importance attached to this matter in light of the recent controversy in the Senate concerning the amount which we have expended in South America, especially since the State Department and the Foreign Economic Administration requested that no disclosure be made regarding the amounts that were reported to us as having been advanced to each South American country.

I doubt if there has ever been such a vast expenditure of public funds having such a far-reaching effect on not only the war effort, but the consequent shaping of things to come after the war, in such a loose manner. This fact has given rise to the use of the term "loose-lend," and a growing fear that some people are racing to give away the resources and substance of America far beyond the purely military needs.

The facts are that Congress does not know to what extent this has been done. This is caused by the multitude of agencies participating and the utter lack of central accounting. Even the Congress could not find the facts, except in the most general terms.

On November 22, 1943, 18 months after the passage of the original bill, the Appropriations Committee, after repeated futile attempts to ascertain the facts concerning lend-lease, finally secured the services of four experts to dig out the true facts. After approximately 6 months of diligent search, the Appropriations Committee received a preliminary and incomplete report the day before this bill was presented for renewal. This report disclosed the distribution of \$30,362,687,362 of lend-lease funds—pages 29 and 30, report—and a total of reverse lend-lease amounting to \$2,129,151,000. These reverse lend-lease figures are largely estimates, because of our inability to get some foreign countries, particularly the British, to fix the value on the articles and services made available to us. It does, however, show the general ratio of lend-lease to be 15 to 1, in addition to the maintenance of our vast Army, Navy, and Air Force on five continents and seven seas.

As we review the facts of lend-lease and our war effort, we can appraise the responsibility of Congress. If we allow the impression to go out that after we have provided these vast sums of money, property, resources, stores of property, and supplies, the recipient countries owe us nothing, either they or our own people will be sadly disillusioned and it will only add to confusion and chaos in our post-war problems and relations.

For that reason, I believe it very wise for the Senate to concur in the action of the House amending section (B) of section 3 of the Lend-Lease Act, which amendment provides:

*Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy, or any post-war policy involving international relations except in accordance with established constitutional procedure.*

The whole problem of lease-lend and mutual aid for war is a gigantic task. The plans for post-war may be equally as great and as difficult. The conduct of the war is an Executive task, but the post-war plans are a responsibility jointly between the Executive and the Congress. It is our duty to keep constantly abreast of the facts as we continue to pour out the substance and resources of America.

Interest in bases, both naval and air, guarding the approaches to America is of vital concern today to all our people. Interest in the natural resources of which we are entirely deficient or in the resources which we are depleting in the cause of humanity is of growing concern throughout America. This lease-lend activity has such a far-reaching effect, not only in winning the war, but in laying foundations for post-war collaboration. It is the duty of the Senate, particularly, to demand all of the facts con-



stantly, and it is also the duty of America to make known our aims regarding our permanent bases and access to national resources essential to our security and prosperity. Now is the time to discuss them. The 99-year leases on bases are not adequate. We are not a 99-year country. We should have permanent title to them.

This lend-lease undertaking has expanded to such a degree that it no longer constitutes simply a war measure. Its provisions and the procedure under it will inevitably have some treaty-making significance. When the original lend-lease bill was before us, I opposed it on the grounds that it would lead us into war, and was in effect a declaration of war. Several of its most ardent advocates have since admitted that it did just that.

I did not oppose helping Great Britain or anyone else. I was willing to make an outright grant to them. I maintain that this lend-lease procedure will eventually extend directly into the post-war treaty-making policy and post-war collaboration. In fairness to both our own people and our allies, we should make known our aims, and should frankly start negotiations for permanent rights in bases and access to resources that will bring the most fruitful participation in any future cooperation abroad, and will increase our solidarity and strength at home.

Mr. President, I do not oppose the continuance of any necessary lease-lend at this time. I would not withhold any necessary element of support from our gallant troops or our allies. I do protest the continued expenditure of billions of America's substance without having the Congress have all the facts, so that it may constantly determine that these expenditures are a direct aid in the winning of the war. I do protest the continuous pouring out of America's resources without a more definite presentation of our future national interest.

Of the 30,000,000,000 thus far transferred, Great Britain has received over 19,100,000,000, and Russia has thus far received over 4,200,000,000. Great Britain has been very forcibly represented by Mr. Churchill in outlining her future imperialistic protection and Russia has been equally forcibly represented by Mr. Stalin in indicating the future policy of Russia in Europe, the Atlantic Charter notwithstanding.

The American people are willing to make any sacrifice necessary to secure a total victory in war. However, they are anxious to know that their interests are to be equally safeguarded and made secure.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. BROOKS. I yield.

Mr. LANGER. Beginning at the bottom of page 12 of the report on lend-lease aid, and continuing on page 13, I find a paragraph containing the following statement:

Grants—educational, scientific, and cultural.

Am I to understand that in the countries of which we take control, we are setting up schools?

Mr. BROOKS. This is all a part of the Latin-American expenditures, and I cannot tell the Senator the exact facts concerning the data. I understand they are exhibiting movies, distributing literature, and holding classes and debating societies. I do not know whether they have gone so far as to set up schools.

Mr. LANGER. I noticed that in Italy, some time ago, a professor from the University of Minnesota was in charge of some schools. Can the Senator tell me about that?

Mr. BROOKS. I am not informed as to that.

Mr. CONNALLY. In respect to the statement made by the Senator from Illinois [Mr. Brooks] with regard to the desirability of having the United States secure permanent bases, I wish to say that I certainly favor the acquisition by the United States of permanent bases in both the Atlantic and the Pacific for military and naval purposes. However, these matters cannot be adjusted all at once. They are certainly in the interest of our Nation, and I favor having this Government take the necessary steps at the proper time to secure permanent bases for aviation purposes, for naval purposes, and for military purposes in both the Atlantic and the Pacific, for the necessary defense of this Nation and for the preservation of the peace of the world.

Mr. VANDENBERG. Mr. President, in the light of the discussion this afternoon regarding the proviso on page 2, I should like to suggest a brief amendment, which I ask the able Senator from Texas [Mr. CONNALLY] to consider. In the proviso on page 2, we say:

*Provided, however,* That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure.

I am sure that we all mean that we are undertaking to prohibit such commitments at any time, not only in the final settlement, but also in any prior settlement, or in any prior contracts or agreements. Since the bill we are passing would authorize agreements and maintain their validity until July 1, 1948, we are authorizing contracts which ought to come within the purview of the prohibition on page 2.

Therefore, in order to make the purpose perfectly clear, I am moving to strike out in line 7, on page 2, of the bill, the words "in any final settlement," so that the prohibition in the paragraph will apply to any arrangements which may be made in respect to those obligations. I am sure that is the real intent of Congress.

Mr. CONNALLY. Mr. President, it is my view that this amendment is not at all necessary, but I have no objection to it. The agreements contemplating the temporary exchange of commodities, services, and materials under the Lend-Lease Act, all provide for a final accounting and a final adjustment. My

own view is that the final adjustment would be retroactive, and would apply to the whole prior scope and field of whatever transactions may have taken place. However, in view of the suggestion of the Senator from Michigan and others, if there is any objection to the present language of the bill I have no disposition to oppose the amendment. I am willing that it be adopted and allowed to go to conference.

I wish to reiterate what I said a while ago; namely, that, according to my view, neither the Executive nor anyone else may enter into any binding agreement which invades the constitutional authority of either House of the Congress unless the agreement is subsequently ratified under the constitutional processes by the Senate of the United States. I believe that fears to the contrary are unfounded. However, in order to grant the Senator from Michigan and other Senators freedom from fear, I agree to his suggestion.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. DANAHER. Mr. President, before a vote is taken upon the amendment I should like to ask the Senator from Texas a question, if I may, with reference to his understanding of the amendment.

In one of the reports which have been submitted to the Congress there appears a copy of the Russian master agreement, in article 7 of which one may read the following:

In the final determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics in return for aid furnished under the act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutual advantageous economic relations between them and the betterment of world-wide economic relations. To that end they shall include provision for agreed action by the United States of America and the Union of Soviet Socialist Republics, open to participation by all other countries of like mind, directed to the expansion by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the joint declaration made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom, the basic principles of which were adhered to by the Government of the Union of Soviet Socialist Republics on September 24, 1941.

At an early convenient date conversations shall be begun between the two Governments with a view to determining in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded governments.

That same provision also occurs in the master agreement between the United States of America and the United Kingdom. So if we turn to section 3, subsection (b) of the act of March 11,



1941, which empowered the President to prescribe the terms and conditions for aid, I ask the Senator from Texas what, in his judgment, will be the effect upon the authorization we there gave the President, and exercised by him as stated in the article which I just read, if we strike from the pending bill, H. R. 4254, the words appearing on page 2, line 7, namely, "in any final settlement." Will we be detracting from the power hitherto given to the President in that respect, to agree in the particulars covered by article 7 of the Russian master agreement?

Mr. CONNALLY. I will say to the Senator that, according to my view, we have never given the President any power to make binding commitments with respect to any of the matters to which the Senator refers, all of them being subordinate to the authority and power of the Congress.

The Senator has referred to economic matters. If he means tariffs, for instance, certainly the President could not make any agreement with Russia, or with any other nation, which would bind the Government of the United States with respect to some particular tariff arrangement, because the House of Representatives, under the Constitution, is given the primary responsibility of initiating legislation of that character, and the concurrence of the Senate is, of course, necessary. I do not believe we have ever given the President that power. As I said awhile ago, I have no objection to the proposed amendment because I believe it is contemplated even in the language which the Senator read. The language goes on to say, in effect, that at an appropriate time negotiations shall be begun looking to the effectuation of those objectives. Such language is really a contradiction of any assumption that any arrangement has been in fact made. The language is a mere promise that these are our objectives, and that at some time in the future we shall begin to negotiate in order to effectuate them. It shows to my mind that there has been no attempt made to make any definite or binding commitments with respect to any of these matters.

Mr. DANAHER. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. DANAHER. In section 3, subsection (b) of the Lend-Lease Act of March 11, 1941, we find the following language:

The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory.

It clearly follows that the President will prescribe some terms and conditions, and he was thus authorized, I assume, to agree to the terms of the Russian master agreement which I earlier quoted.

Now, one of the provisions in the Russian master agreement is that "in the final determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics, the terms and conditions thereof shall be such as not to burden the commerce between the

two countries," and so forth. So, clearly, it was contemplated that certain minima were not to be disturbed in any final settlement.

Mr. CONNALLY. Any what?

Mr. DANAHER. Minima.

Mr. CONNALLY. Well, we have had a great many minimas around the Senate recently.

Mr. DANAHER. Now, let us return to the question.

Mr. CONNALLY. Yes.

Mr. DANAHER. We have prescribed in article 7 of the Russian master agreement certain basic principles upon which final determination shall proceed, as I read it, and I am wondering if we will be imposing a further limitation upon the power of the President to enter into any such agreement if we strike out the words "in any final settlement."

Mr. CONNALLY. It seems to me it might be well to strike out "final" and say "in any settlement." I suggest that to the Senator from Michigan.

Now let me say that the authorization to the President in the original act to determine conditions upon which aid would be extended to nations at war with whom we are affiliated must come within the general framework of this act. The framework of this act contemplated the prosecution of this war, and the limitations on the President must be in conformity with the general over-all purpose. We cannot by inference say that the President was given power to make conditions that transcended the objective of the bill. I think that is an elementary proposition of law. His power must be within the scope of the purposes and objectives of the measure. Does that answer the Senator?

Mr. DANAHER. I appreciate the comment of the Senator from Texas.

Mr. VANDENBERG. Mr. President, will the Senator from Connecticut yield?

Mr. DANAHER. I gladly yield to the Senator from Michigan.

Mr. VANDENBERG. Before the Senator came to the floor of the Senate this afternoon I discussed at some length the very question to which he now adverts. The language in article 7 of the master agreement has been the subject of my attention for more than a year. I call the Senator's attention to the fact that the precise language which he read from the Russian agreement and the British agreement was the subject of the following comment 1 year ago by the Senate Foreign Relations Committee when it recommended the passage of the Lend-Lease Extension Act:

The committee believes that there is no authority in the Lend-Lease Act to warrant any general post-war commitments or post-war policies in agreements made under the terms of the Lend-Lease Act.

Unfortunately, as I indicated earlier in the afternoon, the Lend-Lease Administration paid no particular attention, as they admitted in their testimony, to that injunction which we filed 1 year ago. So this year the Foreign Relations Committee in reporting the bill not only reiterates what was said 1 year ago but adds:

The committee desires to emphatically reaffirm the principle stated in the foregoing

excerpt. If there is any necessity for Congress to formally declare its adherence to these principles in order to insure their recognition, the committee believes that the proviso added by section 2 of the House bill adequately takes care of the situation.

In other words, it is the unanimous opinion, without regard to party, of the Senate Foreign Relations Committee last year and this that the language used in the master agreements which the able Senator from Connecticut has quoted was without any constitutional validity whatsoever. They can have no authority whatever because they totally transcend the constitutional prerogatives of the Congress of the United States. The effort of the House, apparently, in adding this proviso is to assert the general principle. It is all very well to assert it in the language suggested by the House and assert it with respect to the final settlements. I am asking that that phrase be eliminated so as to broaden the provision, certainly not to restrict the provision, because I do not want these infirmities permitted with congressional sanction in any settlements or agreements that may be made by the executive department of the Government in respect to lend-lease any more than I would want them permitted in the final settlements.

Mr. DANAHER. Mr. President, I thank the Senator from Michigan, and will say further that I concur in the objective he seeks and the reasoning which impels his statement. I think that the House is doing no more and the Senator from Michigan would wish to do no less in preserving the prerogatives of Congress than Mr. Churchill told Parliament he was doing for Great Britain when the Atlantic Charter was entered into. He said within the fortnight to the Parliament that he urged the President to agree with him at their meeting when the Atlantic Charter was agreed upon that there be inserted the words "with due respect for their existing obligations." This was done.

Mr. Churchill argued further in closing the debate:

They are limiting words, and they were inserted for the express purpose of retaining to this House and to the Dominions the fullest possible right and liberties over the question of imperial preference.

So, Mr. President, the objective that the Senator from Michigan seeks to achieve has my hearty approval, and, so long as we are in accord that we are thus preserving in the Congress full participation in whatever final settlement there may be, I am quite satisfied.

Mr. WHEELER. Mr. President, over the week end I tried to study the hearings of the House committee and also the report which was submitted by the acting chairman of the Appropriations Committee of the Senate. I must confess that I am at a loss to understand the discrepancies which appear between the hearings of the House committee and the report which was submitted by the acting chairman of the Senate Appropriations Committee. First let me say that I want this war won just as soon as it can be won. I want to accomplish as much as we can with our money and



materials rather than with the blood of our courageous men and women. I do not, however, want to see our raw materials and the hours of toil of our folks at home squandered; and some of the things we hear today about lend-lease gives us cause to demand that some information be furnished our people on this all-important phase of our warfare. The American people are most generous, but they ought to be assured that their money is being spent judiciously.

I have not had time to go through carefully the entire hearings on the lend-lease extension bill. It may be that the committee has learned more in executive sessions than can be divulged in the printed record, but in glancing through the report I find that Mr. Crowley says:

Reverse lend-lease consists of goods, services, and information provided to the United States by our allies without payment by us. (P. 141, House hearings.)

If it is actually reverse lend-lease then I would say it is something we had already paid for by supplying lend-lease in the first place, not something we get without payment, as Mr. Crowley would try to make us believe.

I see in the report a listing of some \$2,000,000,000 as reverse lend-lease from the British Commonwealth through December 1943. Then I see a footnote that says:

Does not include the value of strategic raw materials, commodities, and foodstuffs shipped to the United States under reverse lend-lease, other than benzol.

From Mr. Crowley's definition of reverse lend-lease, I would say that the \$2,000,000,000 in reverse lend-lease which was listed in the report was for benzol, services, and information. I believe we should know how much of that \$2,000,000,000 was for services, what those services may have been, and how much of it was for information.

Among the many unsatisfactory practices of the Lend-Lease Administration is that of assisting in the procurement of so-called strategic supplies from nations that are the beneficiaries of lend-lease aid.

We are not paid in cash or in any other way for the aid we extend to them, and yet when we obtain metals and other strategic war materials from those same countries we pay cash on the barrel-head instead of crediting their lend-lease account for whatever the amount may be.

That certainly is not reverse lend-lease, and seems to indicate quite clearly that for all practical purposes the administration is proceeding on the theory that Congress intended lend-lease to operate as a one-way street and that supplies furnished foreign countries were to be considered as gifts.

In this connection, Mr. President, I desire to read an editorial which appeared in the Spokane Spokesman-Review of March 10, 1944. This was put in the record of the hearings before the House committee, and would indicate that the administrators of lend-lease agreed with it.

The lend-lease authority, which would terminate in June if not renewed by act of

Congress, undoubtedly will be extended for another period. It is so completely the basis for reciprocal allied collaboration that if it were permitted to expire, joint effort in every theater of the war might be disrupted.

However, Congress properly is studying the manner in which it is operated and the policies under which it is directed. These are matters that may well prove subject to debate even though the basic plan of mutual assistance is not disturbed.

"Lend-lease" is something of a misnomer, for lending and leasing implies a contractual obligation to repay in kind or cash for value received.

That is what we were told it was to be when we first passed the measure. The article continues:

It was devised as a method of giving material aid to our allies out of our abundance as our most effective contribution to the common war effort while preparing our armed forces to take their full part.

This aid was given, not lent or leased in the sense that it would result in building up another structure of debt, that might plague relations between this country and our allies after this war as the Allied debt to us did after World War No. 1. It did not contemplate reciprocal aid when the occasion or opportunity for it should arise. The giving of that reciprocal aid depended upon the ability, the willingness, and good faith of the recipients of lend-lease, rather than upon a documented bond.

This reciprocal aid, called "reverse lend-lease," has been and is being given and is attaining important proportions, though the money value of what this country receives can never be expected to balance the value of what has been and yet will be given. Since that was not the underlying consideration, it is not an issue so far as what has been done up to this stage of the war.

But the question of more nearly balancing mutual assistance in the future operations of lend-lease may be a policy issue that Congress will want decided in extending the life of the Authority.

Mr. President, I deplore the fact that when those connected with the Lend-Lease Administration came before the committees to discuss the extension of the life of lend-lease and the appropriations, they said we should not expect the other countries to pay back the money. What are we saying to Russia, in effect, when some of these officials come to Congress and say, "They have been given this and given that, and we should not expect them to pay it back"? We are telling them in advance that whatever we may give them they need not pay back. Certainly we are giving away billions upon billions upon billions of dollars of the production of American labor, and war products, and saying to the world, "We do not expect you to pay back." Certainly the American people are very generous, as I stated a moment ago, but they want to know for what the money is being expended, how it is being expended, and whether or not it is being wasted.

In going over some of the figures on lend-lease, it would seem we have several discrepancies which should be accounted for. We are being asked for additional lend-lease appropriations this year, and I believe we should know now just how much of the various funds Congress has already appropriated have not been expended. We should also determine just how much of these funds have been ex-

pended and in what manner. I have read portions of both the House hearings and the Senate hearings, and some figures do not seem to jibe. Let me quote from page 74 of the House hearings, where Mr. Cox, of Lend-Lease, answers Representative JONKMAN relative to appropriations and expenditures. Mr. JONKMAN questioned amount of lend-lease, said it was sixty or seventy billion dollars. I read:

Mr. Cox. There have been appropriations totaling \$24,683,000,000 directly to the President for lend-lease aid; there have also been appropriations to the War and Navy Departments and Maritime Commission which specifically provide that supplies up to a certain stated total amount can be transferred under the terms of the Lend-Lease Act. \* \* \* A stated amount of \$35,000,000,000. If you \* \* \* add these two figures together you will get, as you say, some \$60,000,000,000.

The twenty billion figure of lend-lease is 14 percent of our total war expenditures, and that includes lend-lease coming from all sources, whether from direct appropriation or appropriation to the Navy, the Army, or the Maritime Commission.

I want Senators to bear in mind that he says that \$20,000,000,000 is the amount coming from all sources, not just from the \$24,000,000,000, but from all sources.

Mr. Cox proceeded:

What is included is what was actually turned over to our allies since the beginning of the program to January 1, 1944, and that is approximately \$20,000,000,000 of supplies and services.

The Congress in the War, Navy, and Maritime appropriations conferred power to transfer munitions and supplies up to the amount of \$35,000,000,000, if it was decided in accordance with the determinations of the combined chiefs of staff and the Munitions Assignment Board that supplies should be turned over to our allies. \* \* \*

Now actually probably about \$4,000,000,000 worth of supplies in a total of \$20,000,000,000 have come out of direct appropriations to the War, Navy, and Maritime Commission, but there has not been \$60,000,000,000. If you want to make it accurate, you have authority to go up to approximately \$60,000,000,000 of appropriations, but as an actual fact the transfer authority has not been used up to that point. It has been used with the appropriations administered by the F. E. A. up to the point of \$20,000,000,000, and that takes you up to January 1. \* \* \*

Mr. JONKMAN. My question was whether all lend-lease articles are included in the \$20,000,000,000 or whether we have lend-lease amounting to \$60,000,000,000 or \$70,000,000,000.

Mr. Cox. Mr. Jonkman, everything transferred under lend-lease is included in the \$20,000,000,000.

Mr. JONKMAN. That answers my question. That actually has not been lend-leased so when they say \$60,000,000,000 or \$70,000,000,000; it is wrong?

Mr. Cox. That is the total amount which was authorized to be spent for lend-lease purposes but actually only \$20,000,000,000 has been spent.

On page 168 of the House hearings I find the following statement of the former Secretary of the Navy, Colonel Knox:

Total lend-lease aid provided by the Navy Department in the period from March 11, 1941, through December 31, 1943, amounted to \$3,018,527,595. This amount is, of course, included in the total figure of lend-lease aid



of nearly \$20,000,000,000 provided to the committee by Foreign Economic Administrator Crowley.

On page 197 of the House report I find the total lend-lease appropriations to the President listed as \$24,683,629,000, and transfers authorized from other appropriations listed as \$35,970,000,000, or a grand total that may be used in lend-lease to our allies of \$60,653,629,000.

On page 198 of the same report I find the following:

In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission without any numerical limitation as to the dollar value or the number of such ships which may be so leased. (See for example, Public Law 1, 78th Cong., approved Feb. 19, 1943, and Public Law 11, 78th Cong., approved Mar. 18, 1943.)

Under the transfer authority about \$5,000,000,000 of transfers have actually been made, representing one-fourth of total lend-lease aid. Since planes, guns, ships, and other munitions of war are now furnished from appropriations other than those to the President, and since the ratio of munitions to total aid has been increasing, the proportion of lend-lease aid which comes from appropriations to the War and Navy Departments is growing.

This would indicate that of the \$20,000,000,000 of lend-lease included in the House report, only \$15,000,000,000 came from what is known as lend-lease funds, while \$5,000,000,000 was from transfers of other appropriations. It has to be that, unless the figures which were furnished to the committee, and by Mr. Cox in his testimony and his statement, were in error.

In checking these figures with those given us by the acting chairman of the Senate Appropriations Committee on May 4, I find, according to his figures, we must have given away in lend-lease an additional \$10,000,000,000 in the first 4 months of this year.

I believe it would be well for us to have all these appropriations under one single heading so it would be an easier matter for Congress and the people to know what is actually happening. This is particularly true when we consider that some of our people believe lend-lease will help materially in our writing the peace, as is shown by the colloquy between members of the committee and Mr. Stettinius, Under Secretary of State, which is to be found on page 40 of the House hearing.

Mr. President, let me read on page 4083 of the CONGRESSIONAL RECORD of May 4, from the preliminary report on lend-lease aid, dated May 1, 1944, addressed to Chairman of the Appropriations Committee of the Senate:

#### APPROPRIATIONS

Lend-lease appropriations made to the President total \$24,683,629,000. Of this amount a total of \$22,576,626,477.54 has been allocated to various departments and agencies of the Government, leaving an unallocated balance as of February 29, 1944, of \$2,107,002,522.46. Of the amount allocated, the sum of \$18,748,927,285.53 has been obligated by the departments and agencies to which allocated, leaving an unobligated balance of \$3,827,699,192.01. The available funds (unallocated and unobligated) as of

February 29, 1944, therefore amounted to \$5,934,701,714.47.

In addition to the lend-lease appropriations made to the President, transfers from appropriations made to the War and Navy Departments and to the Maritime Commission have been authorized to the extent of \$35,970,000,000. In reports of lend-lease aid furnished, however, no distinction is made as to the appropriations under which the items were procured or transferred.

In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission, without any numerical limitation as to the dollar value or the number of such ships which may be so leased.

I believe our people would like to know what the actual amount is that has been expended for lend-lease. When Senators read the figures which were given before the House committee, and then read the report presented to the Senate by the Senator from Tennessee, they will see the discrepancies which exist between the two sets of figures. It may be that in their testimony before the House committee the witnesses did not mean what they said, but I am taking what is printed in the hearings as being what was stated by the witnesses to be the truth. When we take the testimony given before the House committee and the items placed in the RECORD later, and compare it all with what was contained in the report submitted to the Senate last week, I challenge Senators to determine from the two sets of figures how much money has been spent, because we find one thing stated in one breath and another thing in the next breath. Then more appropriations are requested under lend-lease, when \$35,000,000,000, has already been authorized, \$5,000,000,000 of which has been turned over to lend-lease. At least \$30,000,000,000 is unaccounted for, so far as the Congress knows, still available to be used for lend-lease. How has that money been used, if it has been used at all? Has the \$30,000,000,000 which is left of the \$35,000,000,000 been allocated? Has it been spent? What has become of it?

The acting chairman of our Appropriations Committee says the actual amount expended in lend-lease is \$30,362,687,362. Then he tells us that— it must be explained to the Senate that there were other items expended in foreign countries which our committee has examined and reported upon. We have made loans through the Export-Import Bank, and there were other loans made which will be referred to hereafter.

We purchased goods in other countries— and I hope Senators will keep this in mind— amounting to \$4,172,856,091.

These are only actual expenditures. As I have already stated, considerable funds have been expended in experiments looking to the production of rubber.

Mr. President, I find listed the sums loaned through the Export-Import Bank and the amount of goods purchased from other countries. I do not find any fund for rubber experiments and wonder if this appears in the \$30,000,000,000.

I should like to know if the \$30,000,000,000 is for material and services already delivered, or does it include orders

on our books and in the process of manufacture?

This \$30,362,687,362, when subtracted from the grand total of \$60,653,629,000 that may be used for lend-lease, leaves a balance of \$30,290,941,638 which has been appropriated for lend-lease purposes but has not yet been charged to any of our allies. I would like to know how much of this fund is already covered by commitments we have made to others?

Mr. President, how much of our lend-lease fund is going to aid O. W. I.? I do not like to repeat rumors, but individuals who have come to me have told me, "When O. W. I. does not have funds lend-lease funds are readily made available to it." We ought to know whether or not that is so.

I may say to the Senate that I was told by one who was with our forces in north Africa recently, that the rate for electric power was 1.9 cents per kilowatt-hour. Yet when the O. W. I. proceeded to establish large broadcasting stations the rate went to 25 cents per kilowatt-hour. A compromise was worked out, and we are paying 22½ cents per kilowatt-hour, supposedly from lend-lease funds. I think we should be told the truth about such stories. Mr. President, the one who gave me the information may be mistaken, but he was in north Africa recently and was helping to do the work of establishing the stations.

I learned from the statement given out by Mr. Crowley that up to January of this year we had shipped 7,800 planes to the Soviet Union from the United States. I learned also that we have supplied our Russian Allies with more than 740,000 tons of aviation gasoline and other petroleum products. We have sent them 4,700 tanks, 100,000 submachine guns, 170,000 trucks, 33,000 jeeps, and some 25,000 other military vehicles. In addition we have sent them 1,350,000 tons of steel, 384,000 tons of lighter metals, and 145,000 tons of refinery equipment for the manufacture of gasoline inside Russia itself.

Then there is an item of \$400,000,000 worth of industrial equipment. That \$400,000,000 represents a good many hours of the American workingman's toil right here on the home front. How much of it is machinery that will be used to compete with America when this war is won?

How much of it will not be used or even uncrated until the war is over?

I have been told by manufacturers in the United States, whom I have no reason to disbelieve, that they are shipping quantities of machinery and equipment to Russia which is to be used, not during the war, but after the war.

How many of the planes and tanks and trucks we send to Russia will be returned to us to be used to fight Japan when the European war comes to a close? Have we made any agreements to get this equipment to the Japanese fighting front from Russia?

I was told not long ago by a very high ranking Army officer that in Egypt the English pound could be had for 2 American dollars. It now takes 4 American dollars to purchase elsewhere 1 English pound. A member of the House of



Commons in London recently said that by the conclusion of the war an English pound would be worth 8 American dollars. What is the cause of this? Is it the giving away of our wealth under terms of lend-lease? That is something we must know before it is too late.

Mr. Churchill indicated in a speech in London that no bases are to be given the United States for longer than the 99 years under the present lease. That is not long, we must remember, in the life of a country. Even the islands of the Pacific that have been drenched with the blood of American boys, where American material and money have gone to build new air fields, are immediately turned over to the Dutch, the British, or the French. In fact, I read not long ago that the French billed us for two coconut palm trees for every one our men had chopped down, because they claimed that for every palm tree chopped down another one died of a broken heart.

It would appear that for the protection of our American people in future generations yet to come it is time for Congress to make sure that those directing our war activities become as realistic in their dealing, in their trading of American dollars, American material—yes—and the protection of American lives, as have been our allies of their own country's interests.

I believe it is only right and proper that at this time, when we are considering extension of the Lend-Lease Act, we in Congress secure for our people a statement on American lend-lease policy, so we may know how the hard-earned tax dollars of our people are spent.

It may be that some of these questions were asked and answered in committee, but not printed in the record. We should have answers to all of them.

Only a short time ago we in the United States Senate voted on U. N. R. R. A. When we read the record of the discussion which occurred before the House committee, we find that a question was asked about when U. N. R. R. A. was to commence and when lend-lease was to end. I challenge anyone to read the record and find in it a satisfactory explanation of that point. The funds are so intermingled that we do not know when one should begin and the other should end. The American people are entitled to know these facts. The Congress of the United States should see to it that the American dollars which are being spent are properly protected, not turned over to various persons to be spent willy-nilly at their own discretion.

We were told that a commission of all participating nations was to administer the U. N. R. R. A. funds. Lately we have heard that in the countries of eastern Europe, not a committee, but the Russian Army alone, will administer and take credit for supplying these funds and the aid they give.

A short time ago, when the Senator from Louisiana [Mr. ELLENDER] had the floor, I called attention to the fact that an Army officer said to me that when he was in Egypt our lend-lease material was used by the British to obtain special favors for the British themselves, and

that he had taken up the matter, and it had been taken up with the President, and that now the assurance was that in the future our lend-lease material would be handled by Americans. I was very grateful to learn of that fact. However, why should it ever have been turned over to them in the first place, to let them use it for that purpose?

The American people are asking who it is who administers both the funds and the materials of lend-lease. How many other agencies, besides the Lend-Lease Administration, request or receive United States funds, materials, or food for foreign consumption or use? That question may have been asked, but it seems to me Congress should know whether any of it is being requested, for use overseas, by the Red Cross, the Foreign Relief and Rehabilitation Board, the Office of Inter-American Affairs, the Board of Economic Warfare, the War Department, the Navy Department, A. M. G. O. T., or U. N. R. R. A. Our people should know what is the total amount of all the money the American people are supplying for these purposes, and whether there is being extended any lend-lease aid for which no Congressional appropriations specifically provide.

Mr. President, I appreciate the fact that we are in the war, and that we must extend the life of the Lend-Lease Act. But certainly before we appropriate any more money we should have specific knowledge about how much money is left in the \$35,000,000,000 fund. We should know where the money is going, to whom it is going, and whether it is being turned over to some other departments or agencies. If we, as Members of the United States Senate, do not obtain such information, we shall not be doing our sworn duty to our constituents, the American people.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BREWSTER. I was not in the Chamber earlier in the day, so I do not know whether the Senator from Montana previously referred to the fact that during the past week it was announced that a \$50,000,000 loan has been made by Great Britain to China. Has the Senator made reference to that fact?

Mr. WHEELER. No; I have not.

Mr. BREWSTER. Has there been any explanation how such a transaction can take place under the hypothesis of lend-lease? The loan was announced as one which had been previously arranged for, but apparently it had been laid aside. Suddenly it was announced, last week, that Britain was loaning \$50,000,000 to China.

I think the good will of China is of the highest importance to our country. As I understand the theory of lend-lease, we are advancing money to various countries because they are not able to pay for all the things they require in the prosecution of the war. Lend-lease may well be justified for that purpose. However, if that is the theory of lend-lease, how is a debtor of our country unable to pay us, but able to lend \$50,000,000 to China?

Mr. WHEELER. Mr. President, I am unable to answer that question. However, a moment ago I called attention to the fact that an Army officer who had been in north Africa told me that when he was there he bought British pounds for two American dollars, that today the British pound is worth four American dollars, and that a member of the British Parliament stated, on the floor of the House of Commons, that after the war the British pound will be worth eight American dollars.

What is the reason for that? Is it not because of the fact that under lend-lease we are pouring out so much of our materials, our raw materials, and our money that our money will be depreciated in terms of British pounds?

Mr. BREWSTER. Of course, Mr. President, the intricacies of international exchange are sometimes unfathomable. I know it has been testified before our committees that in connection with certain agreements and concessions which American companies have obtained it has been stipulated that they are to be settled in sterling—which meant, as the witnesses testified, that in the event of the creation of a sterling bloc, it would be necessary for those companies to transfer to British status, because they would be unable to continue under American allegiance and control, because of the effect of the exchange situation upon their operations. I take it that is another phase of the same problem the Senator has discussed, and about which we must learn.

Mr. WHEELER. Exactly.

Mr. BREWSTER. I hope someone will undertake to clarify the reasoning as to why a country which is unable to pay to us the billions of dollars it has borrowed from us is able to loan \$50,000,000 to China.

I have supported lend-lease, and shall continue to do so, and I believe it is a necessary policy. But at the same time I believe we should have an understanding as to what extent our advances are being made use of for the cultivation of good will among others whose relationships to us are becoming of more and more vital importance.

Mr. WHEELER. I thank the Senator.

Mr. President, it seems to me that the Congress should place under the control of only one agency all our money which is being sent to other countries. Instead of putting \$35,000,000,000 under one organization, \$25,000,000,000 under another organization, and more money to be spent in foreign countries under a third organization, with many of the organizations overlapping in their functions, and with many of them disagreeing with one another, and spending money in confusion, certainly there should be some central body which will oversee the spending of every dollar which leaves the United States.

Mr. President, when I speak of lend-lease, I am not criticizing the British. I do not blame the British. Some persons have said I dislike the English. On the contrary, I greatly admire them. I think they are a smart people. They know so much more about international commerce, international finance, and inter-



national trade than we do, that we are babes in the wood. I greatly admire them, because I admire smart people. They are smarter than we are when it comes to international affairs, because they have lived on that little island, and to a large extent they have had to live by their wits. They have had to know all about such problems, while we have had this vast territory in which to expand, and we have not had to learn about such problems, and we do not know much about them today. I blame the American people for permitting some of these things to go on in the loose, disjointed way in which they have proceeded. The people of this country are beginning to wake up to that fact, and they are going to hold the Congress responsible.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BUSHFIELD. I wish to supplement some of the questions which the distinguished Senator from Montana asked a moment ago. I hold in my hand the fourteenth report to Congress on lend-lease operations. I turn to page 8, on which this statement is made:

Total lend-lease aid from the beginning of the program in March 1941 to December 31, 1943, amounted to \$19,986,000,000.

On page 53 of the same report I find the total amount of lend-lease appropriations for the President to be \$24,683,629,000, and the total amount of transfers authorized from other appropriations to be \$35,970,000,000, as the Senator stated a moment ago, or a total of about \$60,000,000,000.

On page 56 of the same report I find the total amount of lend-lease exports to all countries to be \$15,578,383,000. But that is not all. On last Friday the Senator from Tennessee [Mr. McKellar] stated that the total amount of lease-lend was about \$36,000,000,000.

Turning again to the hearings before the House committee on the same subject, I find Mr. Cox, to whom the Senator referred, testifying as follows:

The CHAIRMAN. Then we have already agreed to this, have we—we have already spent \$35,000,000,000?

Mr. Cox. No; we have turned over about \$22,000,000,000 worth of aid and obligated approximately the same amount.

Senator VANDENBERG. Is that for the period of 3 years?

Mr. Cox. The aid rendered up to the 1st of March was about \$22,000,000,000, and the amount of funds obligated is approximately the same amount—that is, \$22,000,000,000.

That makes a total of \$44,000,000,000.

I wish to join with the Senator from Montana in asking someone to get these figures together, or get those who are responsible for the figures together, so that we can agree on what has been paid out, what has been obligated, and what the President still has in his hands. If any of these figures is correct, approximately \$30,000,000,000 is still left in the President's hands which he has not spent or obligated. If the figures are not correct, what are the correct figures? I think the Senate is entitled to that information.

Mr. WHEELER. I thank the Senator. The Senator has stated exactly the way

I feel about it. If we take the hearings before the House committee and read what Mr. Cox says in one place, and read the figures in another place, we then ask ourselves, "Why can we not get these people together? How much have the Army and Navy spent? How much has the Maritime Commission spent, and how much has it given away? How much has the Army given away in lend-lease, and how much is left unexpended, if there is anything left, and if there is not, what has become of it?" These question involve more than merely a few dollars. When \$60,000,000,000 of the taxpayers' hard-earned money is taken, they are entitled to know where it has gone and how it has been expended.

Mr. President, I should like to refer to one other matter while I am on my feet. Lately in Washington we have been hearing statements by the Secretary of War, the Secretary of the Navy, and many others to the effect that we ought to have a national service act, and that everyone ought to be included under it. We are told that we must have a national service act because we must draft men for labor, since we are short of labor.

Let us see what Australia did. I read a Reuters dispatch from Canberra, dated May 4:

#### AUSSIE ARMY DROPS 44,000

CANBERRA, May 4.—Francis M. Forde, acting Prime Minister and Minister for the Army, announced today that discharges from the Australian fighting forces, munition and aircraft works, and the Allied works council in the last 6 months number 68,500.

Of these, 44,000 were from the army, 12,000 from munition and aircraft works, and 12,500 from the Allied works council.

The 44,000 from the army covered normal discharges as special releases for industry. Except for a small proportion of service personnel discharged for medical reasons, the discharges would increase the civil employment pool, Forde said.

Australia is discharging men from its airplane factories and from the army, while we are constantly saying that we must have a draft of all the men and women in the United States. Because of the conflicting statements which have been made about fathers, about men over 30 years of age, and so forth, the other day I introduced a bill on the subject. One day we are told that everyone up to 30 years of age must be drafted. The next day we are told that only those under 26 will be taken. The following day we are told that everyone over 30 is to be taken.

When we enacted an amendment to the law a short time ago we were told that that would end the confusion. There is more confusion in the country today with reference to the draft situation than at almost any other time since the war began. We have no definite policy. No man in this country who is over 26 years of age, whether he be married or single, can make any plans of any kind. He is left in confusion from day to day. No one wants to hire him, because of the uncertainty as to whether or not he is to be taken into the service.

Mr. President, I do not know who is responsible for the confusion with reference to the lend-lease figures which

have been given to the committees of Congress, but I do know that those in the departments who are responsible for the figures should get together and furnish the Congress and the people of the country some concrete, honest, truthful information as to what is becoming of the taxpayers' dollars which are being expended every day.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I ask for the yeas and nays on the final passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Eastland	Millikin
Bailey	Ellender	Murdock
Ball	Ferguson	Murray
Bankhead	George	Nye
Barkley	Gerry	O'Mahoney
Bilbo	Gillette	Overton
Brewster	Guffey	Radcliffe
Bridges	Gurney	Russell
Brooks	Hatch	Smith
Buck	Hayden	Stewart
Burton	Hill	Thomas, Idaho
Bushfield	Jackson	Tunnell
Butler	Johnson, Colo.	Tydings
Byrd	La Follette	Vandenberg
Capper	Langer	Walsh, Mass.
Caraway	McCarran	Weeks
Chavez	McClellan	Wheeler
Connally	McFarland	Wherry
Cordon	McKellar	White
Danaher	Maloney	Wilson
Davis	Maybank	
Downey	Mead	

The PRESIDING OFFICER. Sixty-four Senators have answered to their names. A quorum is present.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. I understand that, if present, he would vote as I intend to vote. I am therefore at liberty to vote, and I vote "yea."

Mr. STEWART (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. HOLMAN]. I am informed that if present he would vote as I intend to vote. Therefore, I am free to vote. I vote "yea."

Mr. McCARRAN (when Mr. SCRUGHAM's name was called). My colleague the junior Senator from Nevada [Mr.



SCRUGHAM] is necessarily absent. If present he would vote "yea."

Mr. BURTON (when Mr. TAFT's name was called). The senior Senator from Ohio [Mr. TAFT] is necessarily absent. If present he would vote "yea."

The roll call was concluded.

Mr. BRIDGES. I have a pair with the Senator from Utah [Mr. THOMAS]. I understand that if present and voting he would vote as I intend to vote. Therefore I am allowed to vote, and I vote "yea."

Mr. MEAD. My colleague the senior Senator from New York [Mr. WAGNER] is unavoidably absent on official business. If he were present he would vote "yea."

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from New Jersey [Mr. WALSH] are absent from the Senate because of illness.

The Senator from Utah [Mr. THOMAS] has been appointed by the President of the United States as a delegate to attend the International Labor Organization Conference in Philadelphia, and is, therefore, necessarily absent.

The Senator from Missouri [Mr. TRUMAN] and the Senator from Washington [Mr. WALLGREN] are absent on official business for the Special Committee to Investigate the National Defense Program.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], and the Senator from Oklahoma [Mr. THOMAS] are detained on public business.

I am advised that if present and voting, all of the Senators whose absences I have announced above, would vote "yea."

The Senator from Texas [Mr. O'DANIEL] and the Senator from North Carolina [Mr. REYNOLDS] are necessarily absent.

Mr. WHERRY. The Senator from Vermont [Mr. AIKEN], the Senator from New Jersey [Mr. HAWKES], the Senator from Oregon [Mr. HOLMAN], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Indiana [Mr. WILLIS] are necessarily absent. All these Senators would vote "yea" if present.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness. If present, he would vote "yea."

The Senator from Kansas [Mr. REED] is detained on official business. If present, he would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is absent on official business. If present, he would vote "yea."

The Senator from West Virginia [Mr. REVERCOMB] and the Senator from Oklahoma [Mr. MOORE] are necessarily absent.

The result was announced—yeas 63, nays 1, as follows:

#### YEAS—63

Austin	Bankhead	Brewster
Bailey	Barkley	Bridges
Ball	Bilbo	Brooks

Buck	Gillette	Murray
Burton	Guffey	Nye
Bushfield	Gurney	O'Mahoney
Butler	Hatch	Overton
Byrd	Hayden	Radcliffe
Capper	Hill	Russell
Caraway	Jackson	Smith
Chavez	Johnson, Colo.	Stewart
Connally	La Follette	Thomas, Idaho
Cordon	McCarran	Tunnell
Danaher	McClellan	Tydings
Davis	McFarland	Vandenberg
Downey	McKellar	Walsh, Mass.
Eastland	Maloney	Weeks
Ellender	Maybank	Wheeler
Ferguson	Mead	Wherry
George	Millikin	White
Gerry	Murdoch	Wilson

#### NAYS—1

Langer

#### NOT VOTING—32

Aiken	Kilgore	Taft
Andrews	Lucas	Thomas, Okla.
Bone	Moore	Thomas, Utah
Chandler	O'Daniel	Tobey
Clark, Idaho	Pepper	Truman
Clark, Mo.	Reed	Wagner
Glass	Revercomb	Wallgren
Green	Reynolds	Walsh, N. J.
Hawkes	Robertson	Wiley
Holman	Scrugham	Willis
Johnson, Calif.	Shipstead	

So the bill (H. R. 4254) was passed.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3261) to amend the act of April 29, 1943, to authorize the return to private ownership of Great Lakes vessels and vessels of 1,000 gross tons or less, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Woodrum of Virginia, Mr. Fitzpatrick, Mr. Starnes of Alabama, Mr. Hendricks, Mr. Wigglesworth, Mr. Dirksen, and Mr. Case were appointed managers on the part of the House at the conference.

#### OPERATION ON SUNDAYS AND HOLIDAYS OF INTERNATIONAL BRIDGES AND TUNNELS

Mr. VANDENBERG. Mr. President, if I may have the attention of the Senator from Kentucky [Mr. BARKLEY], I desire to present a unanimous-consent request in respect to Senate bill 1758, which is the last bill on the calendar and which deals with a pressing emergency situation on the international boundaries both north and south.

Under a recent decision of the Supreme Court in the so-called Myers case, the international bridges and tunnels and ferries both on the Mexican border and on the Canadian border can operate on Sundays and holidays only if the facilities themselves provide full payment for the overtime schedule of the customs inspectors. It is impossible for most of these facilities to pay the extra charges

in the first instance, but, more fundamentally, the Treasury Department concedes—and all logic supports the conclusion—that, of course, the payment of customs inspectors on these international facilities is a Government obligation.

The Senator from New York [Mr. WAGNER] on March 7 introduced Senate bill 1758 to take care of this situation. The Senate Finance Committee on May 5 unanimously reported the bill. The bill does this: First, it accepts for the Government the obligation of paying overtime to customs inspectors on international bridges, tunnels, and ferries on Sundays and holidays, an obligation which the Treasury freely concedes belongs to the Government. Second, it certifies to these customs officials the rates of pay which are required under the Supreme Court decision in the Myers case. Third, it calls upon the Bureau of the Budget within 90 days to make a report to the Congress respecting the readjustment of the entire base pay and overtime pay schedules of the customs system so that all discriminations may be eliminated.

Except as the bill is passed, Mr. President, before next Sunday there will be a closing of additional bridges and tunnels on Sunday and holidays—some bridges were closed last Sunday—and as a result the inconvenience to the public will be very great. This bill meets the situation in all its aspects. It has the total approval of the Senate Finance Committee, and I ask unanimous consent for its present consideration.

Mr. BARKLEY. Mr. President, I am familiar with the bill. As the Senator states, it was unanimously voted to be reported by the committee. I have no objection to its consideration.

Mr. VANDENBERG. I thank the Senator.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1758) to amend section 451 of the Tariff Act of 1930.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

The amendments of the Committee on Finance were, on page 2, line 4, after the word "baggage", to strike out "passengers"; in the same line, before the word "persons", to strike out "other"; in line 6, before the word "on", to strike out "or"; in the same line, after the word "foot", to insert "or by other means"; in line 7, after the word "such", to strike out "highway"; in the same line, after the word "At", to strike out "designated"; in line 8, after the word "entry", to insert "and customs stations"; in line 9, after the word "baggage", to strike out "passengers"; in the same line, before the word "persons" to strike out "other"; in line 10, before the word "on", to strike out "or"; in line 11, after the word "foot", to insert "or by other means"; in the same line, after the word "any",



to strike out "highway"; in line 17, after the word "as", to strike out "may" and insert "the Secretary of the Treasury in his discretion may determine to"; in line 19, after the word "the", to strike out "prompt"; in line 20, after the word "baggage", to strike out "passengers"; in the same line, after the word "or", to strike out "other"; in line 22, after the word "be", to strike out "entitled to rates of" and insert "paid"; in line 23, after the word "compensation", to strike out "fixed on the same basis as in the case of customs officers and employees assigned to duty in connection with lading or unloading of vessels or cargo at night or on Sunday or a holiday" and insert "in accordance with existing law as interpreted by the United States Supreme Court in the case of the *United States v. Howard C. Myers* (320 U. S. 561)"; in line 8, after the word "such", to strike out "highway"; in line 9, after the word "tunnel", to insert "or"; in the same line, after the word "ferry", to strike out "motor vehicle, or trolley car" and insert "or other person. As used in this section, the term 'ferry' shall mean a passenger service operated with the use of vessels which arrive in the United States on regular schedules at intervals of at least once each hour during any period in which customs service is to be furnished without reimbursement as above provided"; on page 3, after line 15, to insert the following new section:

SEC. 2. Notwithstanding any provision of law to the contrary, the extra compensation of customs officers and employees heretofore assigned to the performance of inspectional services in connection with traffic over toll bridges, through toll tunnels, or on ferries within the definition of the term "ferry" in section 1 of this act on Sundays or holidays prior to the date of the enactment of this act, which is payable on the basis prescribed by the said section 5 of the act of February 13, 1911, as amended, shall be payable by the United States without reimbursement by the applicants for such services or any other person. Any reimbursement heretofore collected or compensation made payable without reimbursement by this section shall be refunded. The necessary moneys to carry out the provisions of this act are hereby authorized to be appropriated from the general fund of the Treasury.

And on page 4, after line 6, to insert the following new section:

SEC. 3. The Director of the Bureau of the Budget is hereby directed to cause an investigation to be made and to report his recommendations to the Congress on or before the expiration of 90 days after the date of the enactment of this act concerning differences between the compensation of customs officers and employees performing inspectional work and the compensation of other Federal employees performing comparable work under comparable circumstances, and to include in such report recommendations for the equalization of any differences found in such manner as will eliminate any necessity for the assignment of individual customs officers or employees to work regularly on 7 days in any week. He shall also include in such report recommendations with respect to the establishment of pay differentials for customs officers and employees who are required to work at night or on Sundays and holidays in performance of the work to which they are regularly assigned.

So as to make the bill read:

*Be it enacted, etc.,* That section 451 of the Tariff Act of 1930, as amended (U. S. C., title 19, sec. 1451), is hereby amended by inserting before the period at the end thereof the following: "Provided, That the provisions of this section, sections 450 and 452 of this act, and the provisions of section 5 of the act of February 13, 1911, as amended (U. S. C., title 19, sec. 267), insofar as such section 5 requires payment of compensation by the master, owner, agent, or consignee of a vessel or conveyance, shall not apply to the owner, operator, or agent of a bridge, tunnel, or ferry between the United States and Canada or between the United States and Mexico, nor to the lading or unloading of merchandise, baggage, or persons arriving in or departing from the United States by motor vehicle, trolley car, on foot, or by other means upon, over, or through any such bridge, tunnel, or ferry. At ports of entry and customs stations where any merchandise, baggage, or persons shall arrive in or depart from the United States by motor vehicle, trolley car, on foot, or by other means upon, over, or through any bridge, tunnel, or ferry between the United States and Canada or between the United States and Mexico, the collector, under such regulations as the Secretary of the Treasury may prescribe, shall assign customs officers and employees to duty at such times during the 24 hours of each day, including Sundays and holidays, as the Secretary of the Treasury in his discretion may determine to be necessary to facilitate the inspection and passage of such merchandise, baggage, or persons. Officers and employees assigned to such duty at night or on Sunday or a holiday shall be paid compensation in accordance with existing law as interpreted by the United States Supreme Court in the case of the *United States v. Howard C. Myers* (320 U. S. 561); but all compensation payable to such customs officers and employees shall be paid by the United States without requiring any license, bond, obligation, financial undertaking, or payment in connection therewith on the part of any owner, operator, or agent of any such bridge, tunnel, or ferry, or other person. As used in this section, the term 'ferry' shall mean a passenger service operated with the use of vessels which arrive in the United States on regular schedules at intervals of at least once each hour during any period in which customs service is to be furnished without reimbursement as above provided."

SEC. 2. Notwithstanding any provision of law to the contrary, the extra compensation of customs officers and employees heretofore assigned to the performance of inspectional services in connection with traffic over toll bridges, through toll tunnels, or on ferries within the definition of the term "ferry" in section 1 of this act on Sundays or holidays prior to the date of the enactment of this act, which is payable on the basis prescribed by the said section 5 of the act of February 13, 1911, as amended, shall be payable by the United States without reimbursement by the applicants for such services or any other person. Any reimbursement heretofore collected or compensation made payable without reimbursement by this section shall be refunded. The necessary moneys to carry out the provisions of this act are hereby authorized to be appropriated from the general fund of the Treasury.

SEC. 3. The Director of the Bureau of the Budget is hereby directed to cause an investigation to be made and to report his recommendations to the Congress on or before the expiration of 90 days after the date of the enactment of this act concerning differences between the compensation of customs officers and employees performing inspectional work

and the compensation of other Federal employees performing comparable work under comparable circumstances, and to include in such report recommendations for the equalization of any differences found in such manner as will eliminate any necessity for the assignment of individual customs officers or employees to work regularly on 7 days in any week. He shall also include in such report recommendations with respect to the establishment of pay differentials for customs officers and employees who are required to work at nights or on Sundays and holidays in performance of the work to which they are regularly assigned.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 451 of the Tariff Act of 1930, and for other purposes."

#### RETURN OF THE PRESIDENT FROM SOJOURN IN SOUTH CAROLINA

Mr. MAYBANK. Mr. President, today throughout the United States the newspapers carry the report of the safe return to Washington of President Roosevelt after an extended visit in South Carolina. As the junior Senator from South Carolina, speaking for the people of our State, I wish to say that I know they were very proud to have the President in South Carolina for some 30 days, and are glad that his health is better. Our people feel very much honored that so many important war conferences were held within the confines of our State.

South Carolina, which is participating 100 percent in the all-out war effort, has been signally honored by the extended visit of the President, and by the President there participating in important conferences, from which much good will come. I repeat, our people are delighted to know that the President has regained his health and has returned to Washington to carry on his work.

#### EXAMINATIONS OF POSTMASTERS

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate proceed to consider the bill (H. R. 1565) relating to the appointment of postmasters.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.,* That no postmaster at an office of the fourth class shall be required, in the event such office is advanced to the third class, to pass any competitive or noncompetitive examination as a condition to appointment or service as postmaster at the office so advanced; and no postmaster at an office of the third class shall be required, in the event such office is relegated to the fourth class, to pass any competitive or noncompetitive examination as a condition to appointment or service as postmaster at the office so relegated.

Mr. WHITE. Mr. President, I am not sure what the bill provides. It applies to one who is already a postmaster?

Mr. McKELLAR. Yes.

Mr. WHITE. Third class or fourth class?

Mr. McKELLAR. Yes.







OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

78th-2nd, No. 85

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued May 13, 1944, for actions of Friday, May 12, 1944)

(For staff of the Department only)

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HOUSE

1. FLOOD-RELIEF APPROPRIATION. Passed without amendment H.J.Res. 280, which continues the \$15,000,000 flood-relief appropriation until June 30, 1945, for relief in connection with 1944 floods, and makes the appropriation available for servicing of loans and for grants. The committee inserted a \$3,000,000 limit on grants and eliminated the provision, carried in the Budget estimate, for relief of damages from windstorms (pp. 4515-8, 4543).  
The committee report indicates that about \$12,000,000 will remain available on June 30, 1944. It further states: "The committee desires to make it clear in continuing this authority for another year that it does not thereby intimate or intend that the life of the Farm Security Administration shall in any wise be extended or prolonged by virtue of this joint resolution. The Fund is provided to the Secretary and he is free to use such agency of the Department in this and the next fiscal year as may be provided by other law."  
The Senate later passed this bill with a committee amendment to provide for windstorm relief (p. 4509).  
Reps. Cannon, Woodrum, Ludlow, Snyder, O'Neal, Rabaut, Johnson of Okla., Taber, Wigglesworth, Lambertson, and Powers were appointed conferees (p. 4542).
2. FOREIGN RELIEF. H.Doc. 572 (see Digest 79), the UNRRA supplemental appropriation estimate, contains a Budget Bureau letter stating that the appropriation would be available for "the procurement of seasonal food surpluses as they become available," that the appropriation may be expended through any agency or agencies designated by the President, and that WFA participated in the reestimates of supplies and services.
3. FARM LOANS; VETERANS. Continued general debate on S. 1767; the GI Bill of Rights (pp. 4518-40). Rep. Bennett, Mo., discussed various provisions of the bill, including farm loans (pp. 4524-6).

4. **PROPERTY REQUISITION.** Both Houses received the President WPB's report relating to the requisition and disposition of property required for national defense (H.Doc. 586). To Military Affairs Committees. (pp. 4453, 4515.)
5. **LEND-LEASE.** Agreed to the Senate amendment to H.R. 4254, extending the provisions of the Lend-Lease Act for one year (p. 4514). This bill will now be sent to the President.
6. **DAYLIGHT SAVING.** Interstate and Foreign Commerce Committee announced that it will resume hearings on the daylight-saving bill Thurs., May 18 (p. 4543).
7. **POST-WAR PLANNING.** Special Committee on Post-War Economic Policy and Planning submitted its 1st intermediate report pursuant to H.Res. 408 (H.Rept. 1443) (p. 4543).
8. **FLOOD CONTROL.** Committee reported without amendment H.R. 4793, to provide for emergency flood-control work made necessary by recent floods (H.Rept. 1444) (p. 4543).
9. **ADJOURNED** until Mon., May 15. Legislative program for next week as announced by Majority Leader McCormack: Mon., Consent Calendar and S. 1767, and GI Bill of Rights; Tues., Private Calendar and S. 1767, followed by several bills, including H.R. 4184, "repealing of land grants". He also stated that the independent offices appropriation bill conference report may come this week, and, "It is the hope that our legislative program will be such that arrangements may be made for a recess., into August." (p. 4542.)

#### SENATE

10. **PUERTO RICO.** Received several resolutions from a P.R. political organization expressing gratitude to the Chavez and Bell Committees for investigating economic and social conditions in P. R., and to Sen. Langer, N.Dak., for having introduced a bill to grant statehood to P. R. (pp. 4453-4).
11. **CATTLE PRICES.** Sen. Davis, Pa., inserted Mayor Diefenderfer's (Allentown, Pa.) letter enclosing a City Council petition urging the Government to adjust the ceiling prices on cattle and meat or to make subsidy payments so as to permit feeding and slaughtering industries to continue in business (p. 4454).
12. **POST-WAR PLANNING; DEMOBILIZATION.** Sen. Murray (Mont.) submitted the Military Affairs Committee's report, "Demobilization and Post-War Adjustment Legislation" Report printed in the Record. (pp. 4464-6.)
13. **FLOOD CONTROL.** Sen. Downey, Calif., submitted two amendments which he intends to propose to H.R. 4485, the Whittington omnibus flood control bill (p. 4466).
14. **POLL TAX.** Continued debate on the poll tax bill (pp. 4469-512).
15. **FERTILIZER.** Sen. McKellar, Tenn., inserted his correspondence with the Office of Materials and Facilities, WFA, with respect to the distribution and prices for fertilizer and criticized TVA fertilizer prices to farmers (pp. 4467-9).
16. **SMALL BUSINESS.** Sen. Murray, Mont., submitted the report of the Special Committee to Study Problems of American Small Business (S. Rept. 12, pt. 4). Report printed in the Record. (pp. 4450-60.)
17. **ADJOURNED** until Mon., May 15 (p. 4513).



The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

#### THE NAVY

The legislative clerk read the nomination of Aubrey W. Fitch to be vice admiral.

The PRESIDING OFFICER. Without objection, the nomination is confirmed. That completes the calendar.

Mr. McKELLAR. I ask unanimous consent that the President be immediately notified of all confirmations of today.

The PRESIDING OFFICER. Without objection, the President will be forthwith notified.

#### RECESS TO MONDAY

Mr. CONNALLY. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until Monday, May 15, 1944, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate May 12 (legislative day of May 9), 1944:

#### APPOINTMENTS IN THE REGULAR ARMY TO BE FIRST LIEUTENANTS, MEDICAL CORPS, WITH RANK FROM DATE OF APPOINTMENT

First Lt. Milton Boyd Brandon, Medical Corps Reserve.

Capt. Stanleigh Erler, Army of the United States.

Capt. Charles Aloysius Furey, Jr., Army of the United States.

First Lt. Christian Gronbeck, Jr., Medical Corps Reserve.

First Lt. Charles John Hornisher, Medical Corps Reserve.

First Lt. Harry Aloysius Horstman, Jr., Medical Corps Reserve.

First Lt. John McReynolds Jackson, Medical Corps Reserve.

First Lt. Robert Samuel Jordan, Jr., Medical Corps Reserve.

First Lt. John Francis Pfeffer, Medical Corps Reserve.

First Lt. Raoul Constantine Psaki, Jr., Medical Corps Reserve.

Capt. Frank Bradway Rogers, Army of the United States.

First Lt. Arthur Bernard Tarrow, Medical Corps Reserve.

Capt. Urban Linus Throm 2d, Army of the United States.

Capt. Philip Baker Watkins, Army of the United States.

#### IN THE MARINE CORPS

Col. Arnold W. Jacobsen to be a brigadier general in the Marine Corps, for temporary service, from the 30th day of April 1944.

Col. Leonard E. Rea to be a brigadier general in the Marine Corps, for temporary service, from the 6th day of May 1944.

#### CONFIRMATION

Executive nominations confirmed by the Senate May 12 (legislative day of May 9), 1944:

##### PANAMA CANAL

Brig. Gen. Joseph C. Mehaffey, United States Army, to be Governor of the Panama Canal.

##### UNITED STATES COAST GUARD

Vice Admiral Russell R. Waesche, to be Commandant of the United States Coast Guard, for a term of 4 years from June 14, 1944.

##### UNITED STATES PUBLIC HEALTH SERVICE

##### PROMOTIONS IN THE REGULAR CORPS

##### To be passed assistant surgeons

Walter S. Mozen      Carlton H. Waters  
Paul C. Campbell, Jr. Robert W. Biach  
Clarence Kooiker      W. Clark Cooper  
Harold J. Magnuson      Jack C. Haldeman

##### IN THE NAVY

##### TEMPORARY SERVICE

Aubrey W. Fitch, to be vice admiral in the Navy, for temporary service to rank from December 28, 1942.

##### POSTMASTERS

##### MARYLAND

Kenneth L. Toohey, Cresaptown.  
Rachel S. Rowe, Landover.  
William H. Fridinger, Williamsport.

##### REJECTION

Executive nomination rejected by the Senate May 12 (legislative day of May 9), 1944:

##### POSTMASTER

##### NEW JERSEY

Patrick J. McGrath, Bayonne.



# House of Representatives

FRIDAY, MAY 12, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who dost know the goodness of the wayward and the contrition of all, we bless Thy holy name. Have compassion upon us and blot out our transgressions for Thy name's sake; suffer us not to fail or shrink in any endeavor to do Thy holy will. We pray for strength and courage, concurrent with our cares and weariness.

Today we praise Thee for the words of St. Mary, the earthly Mother of our Saviour. While the pain of the cross was piercing her heart, her lips framed these holy words: "My soul doth magnify the Lord." Grant that this song born of the angels' whisper, which moved in waves of light across the heavens, may resound in all breasts. Amid the rush of common life which sweeps us into busy forgetfulness we salute the memory of mother, enshrined as the ideal of tender love and sacrifice; nameless today, tomorrow a heroine, ever sharing our defeats and longing to heal in the delicacy and beauty of the spirit. She never failed us; what pride flushed into her face at our simplest achievements; in burdens and hardships her soul sustained us. For the sake of her who first formed our first prayer into words and folded our hands in reverence, we pray that no shame or defilement will ever cause us to shadow her name. As she lays her flesh and blood upon the altar of our country, never in all the universe was a more precious boon of sacrifice reflected in the white light of heaven. In our Redeemer's name. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

## ELECTION TO COMMITTEE

Mr. COOPER. Mr. Speaker, I offer a privileged resolution (H. Res. 544) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That FRANK W. BOYKIN, of Alabama, and DONALD L. O'TOOLE, of New York, be, and they are hereby, elected members of the standing committee of the House of Representatives on Insular Affairs.

The resolution was agreed to.

## EXTENSION OF REMARKS

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my re-

marks in the RECORD and include therein an article by Maurice Milstone entitled "Salute to American Mothers" from the Washington Post of today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

## THIRTY-PERCENT CABARET TAX

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SULLIVAN. Mr. Speaker, the cabaret excise tax of 30 percent in the current revenue law is proving unsatisfactory in operation and I desire to go on record as favoring a change of this wartime provision to 10 percent in lieu of 30 percent. The provision in section 1650 of the Revenue Act of 1943 is a parallel to section 1650 of the 5-year defense tax provision and provides new rates for a variety of commodities and service, including cabarets, roof gardens, and so forth.

In practice, restaurants supplying music and dancing privileges are discharging their musicians and entertainers rather than subject their patrons to the 30-percent impost. Other restaurants are installing mechanical music devices or are employing players of instrumental music alone in order to retain their patrons. Others are going out of business.

The effect has been to reduce the revenue previously collected and to throw out of employment musicians and entertainers who have little chance of gainful employment elsewhere. Most of these would already be in the armed services or defense industries were they of proper age or qualifications.

It seems to me that the revenue law in this respect has gone into the field, not alone in diminishing returns but in the direction of working a positive hardship on a numerous and worthy class of citizens.

(By unanimous consent, Mr. SULLIVAN received permission to revise and extend his remarks.)

The SPEAKER. The time of the gentleman has expired.

## CORRECTION OF THE RECORD

Mr. ALLEN of Louisiana. Mr. Speaker, on page 4445 of the RECORD of yesterday I was quoted as saying, "In the committee bill we have an advisory committee subject to high pressure from a Government administrator." That is incorrect. My statement was that in the Barden bill we have that. I ask unani-

mous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

## DEPENDENCY ALLOWANCES FOR DISABLED VETERANS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix of today's RECORD.]

## EXTENSION OF LEND-LEASE ACT

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4254) to extend for 1 year the provisions of an act to promote the defense of the United States, approved March 11, 1941, as amended, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 7, strike out "in any final settlement."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLOOM]?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

## EXTENSION OF REMARKS

Mr. SAUTHOFF. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a speech delivered by me at Milwaukee on last Sunday.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SAUTHOFF. Mr. Speaker, on yesterday I received permission to extend my remarks and include an article on land grants by D. B. Robertson. The Public Printer advises me that it will take three pages and cost \$156. I ask unanimous consent that notwithstanding that fact it may be included in the Appendix.

The SPEAKER. Notwithstanding and without objection, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]







[PUBLIC LAW 304—78TH CONGRESS]

[CHAPTER 198—2D SESSION]

[H. R. 4254]

AN ACT

To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of an Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "*Provided, however,* That nothing in this paragraph shall be construed to authorize the President to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure."

Approved May 17, 1944.

